

Hijacker Forces Lufthansa Jet With 104 Aboard to U.S.

All Are Safe as Gunman Surrenders in New York

Compiled by Our Staff From Dispatches

NEW YORK — A gunman whose identity and motives were unclear hijacked a German jetliner with 104 people aboard Thursday and forced it from Europe to New York, where he quickly surrendered.

None of the passengers or crew members was injured.

It was the first trans-Atlantic hijacking in more than 16 years. The incident lasted about 11 hours.

The Lufthansa Airbus A-310 left Frankfurt at 10:45 A.M. on a flight from Frankfurt to Addis Ababa, Ethiopia, with a stop in Cairo. It was hijacked about 45 minutes later over Austria and flew to Hannover, Germany, where it was refused.

German authorities said the jetliner was permitted to take off after about 90 minutes in Hannover because the gunman threatened to kill hostages unless it went to New York. The plane carried 94 passengers and a crew of 10.

The German authorities said the hijacker, who had a pistol, gave assurances he would surrender once he arrived at Kennedy International Airport in New York.

An airport spokesman said the German consulate had told U.S. officials that the hijacker identified himself as a Bosnian and "said he was dissatisfied with the UN decisions and wanted to talk to some people in New York."

The United Nations headquarters is the site of talks on ending the ethnic war in Bosnia-Herzegovina.

But in Bonn, other German officials identified the hijacker as a 31-year-old Somali. Interior Minister Rudolf Seiters said the man's name was Shuray Farah Siyad.

Mr. Seiters said that the man had come from Oslo to Frankfurt on Wednesday and that it was still unclear how he had managed to smuggle a gun aboard the plane.

He had a Lufthansa ticket for Addis Ababa that he had bought in Norway, Mr. Seiters said. A spokesman for the Interior Ministry said Mr. Siyad, who carried a Somali passport, was probably seeking asylum in the United States. Norway had turned down his request for asylum.

A U.S. law enforcement source, who spoke on condition of anonymity, said there were reports that the gunman was seeking asylum in the United States. He said the man was 26 and spoke German and English.

The twin-engine jet landed safely in New York at 3:50 P.M. local time and taxied to a remote area of the airport.

The gunman turned his weapon over to the captain and walked off the plane with his hands behind his head. The pilot then held the gun up in front of a cockpit window for the authorities to see.

The hijacker was met by FBI and other law enforcement officials beneath the plane. The passengers were taken away in buses and questioned by New York police officers and FBI agents.

Dozens of FBI agents, police and

airport officers were spread around the airport as the plane landed. Members of special weapons teams donned jumpsuits and combat harnesses, and sharpshooters took up positions.

A U.S. military plane also was at the airport, and a military helicopter hovered overhead.

Klaus Ramberg, a prosecutor in Hannover, said German authorities did not try to keep the plane in Hannover because "the hijacker threatened to immediately begin killing passengers if his demands were not met."

He said the man's only demand was that the plane be refueled and flown to New York.

Mr. Ramberg said officials judged the situation "very dangerous" even though the gunman assured them he did not want to harm anyone.

Several German radio and television stations broadcast the transcript of what they said was a conversation between the cockpit and the tower in Hannover, recorded by a ham radio operator.

"If we do everything he says, he won't use any violence," the pilot was quoted as telling the tower. "When we land in New York, he will offer no resistance and will surrender voluntarily."

ZDF television in Germany reported that a second Lufthansa plane had followed the hijacked airliner at a safe distance monitoring all radio communication.

The last time a hijacked plane crossed the Atlantic was in September 1976, U.S. officials said. Five Croatian nationalists hijacked a TWA flight from New York to Chicago and forced it to Paris, where they surrendered.

(AP, Reuters, AFP)

Frankfurt Airport Security Comes Under New Scrutiny

By Marc Fisher

Washington Post Service

BERLIN — The hijacking Thursday raises new questions about security at Frankfurt Airport.

Security officials said they had no idea how the hijacker had smuggled a pistol on board. Klaus-Dietrich Guentler, chief of air security for the Hessian Technology and Economics Ministry, which until Jan. 1 was in charge of security at the airport, said in an interview that "a pistol is simple to see in the X-ray equipment we use at Frankfurt."

Germany's Interior Ministry has called for an immediate investigation into security at the airport. Klaus Severin, division chief of the Federal Border Police responsible for airport safety, said the investigation had been ordered by Interior Minister Rudolph Seiters.

Mr. Severin said both passengers and luggage on the hijacked Lufthansa flight LH 592 had been inspected in Frankfurt. "I am certain the security measures in Frankfurt are not too lax," he said.

He said he could not say whether the airplane itself had been routinely searched before takeoff. Lufthansa would be responsible for these checks.

On Jan. 1, responsibility for checking passengers and hand luggage at Frankfurt was shifted from local authorities to the federal border police. Other German airports elected either to retain local con-

trols or to use a mixture of local and federal police. After the 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland — a flight that began at Frankfurt — Germany came under intense pressure to improve airport security. Security measures became far more obvious and staff was increased at major airports.

"The improvements were especially dramatic in the area of checked luggage," Mr. Guentler said. "In the areas of hand luggage and searching of passengers' bodies, there has been no great change, except that we have more security personnel."

About 700 security officials now work at Frankfurt Airport. But U.S. officials remained dissatisfied with German measures, and the Federal Aviation Administration now requires U.S. airlines at Frankfurt and other European airports to conduct security checks far more rigorous than those offered by non-U.S. carriers.

U.S. carriers at German airports now interview all passengers in an effort to determine whether anyone might have slipped a bomb aboard by giving a traveler a gift or package to carry. Lufthansa does not do so because "we have different views about whether these interviews contribute in any way to passenger safety," Mr. Guentler said.

Although the German government sets security standards for all airports, each local authority determines for itself how it wants to

meet the federal standards, he said. A security official at a U.S. airline in Frankfurt said there remained "a huge and frankly quite dangerous gap" between American standards and security measures in place for non-U.S. airlines at Frankfurt.

All passengers at Frankfurt, regardless of airline, must submit to a body search by a guard using a hand-held metal detector. In addition, all passengers walk through a metal detector similar to those used in airports elsewhere.

These measures lead every year to the confiscation of thousands of guns and knives, according to the Interior Ministry.

Despite the uproar after the Pan Am 103 disaster, checks on hand luggage at Frankfurt remain among the most lax at any German international airport. At Cologne, some luggage is sent through two detectors — the usual X-ray machine seen at most airports, and a more sensitive one capable of detecting explosive devices.

Electronic devices, for example, are treated differently throughout Germany.

In Berlin, passengers almost always are required to switch on electronic devices — computers, radios, and sometimes even shavers and hair driers — for security personnel.

In Munich, laptop computers are inspected by police officers, who weigh them and confiscate them if they exceed listed weights provided by manufacturers.

But in Frankfurt, electronic devices generally receive no special treatment and are allowed on board without question or inspection.

WORLD BRIEFS

Needs Will Influence Cuts, Aspin Says

WASHINGTON (AP) — Defense Secretary Les Aspin reassured the U.S. defense industry Thursday that budget cuts would be made on the basis of military needs and not simply to reduce the deficit.

Mr. Aspin also told members of the American Defense Preparedness Association that the responses of the four services on how to cut \$10.8 billion from the fiscal year 1994 budget had been "very, very constructive."

In his first speech since taking office, he said that the Clinton administration's plan to slice \$60 billion from defense spending over the next five years "grew out of an analysis of defense needs, not simply a calculation of what we needed for deficit reduction." He said the total outlined by the services earlier this week at his request was not a bottom-line figure. Items will also be added to the budget, he said, and the final reduction figure "is certainly not going to be as big as this gross cut."

Yeltsin and Rival Air Differences

MOSCOW (WP) — President Boris N. Yeltsin and the speaker of the Congress of People's Deputies, Ruslan I. Khasbulatov, held talks Thursday on resolving a constitutional dispute but failed to agree on how to divide political power.

The hour-long Kremlin session was the first substantive meeting since December between Russia's two most powerful politicians. It followed Mr. Yeltsin's call for a truce that would preserve the current balance of power between the executive and legislative branches and postpone a referendum on constitutional change that has been scheduled for April 11.

France Expands Its Office in Taipei

TAIPEI (AFP) — France is upgrading its office in Taipei two months after angering China with a fighter jet sale to Taiwan, with the new representative saying Thursday that visa-issuing powers and a press bureau would be added.

"Taiwan is a reality which cannot be ignored, especially when it's so successful in making itself an economic power," said the representative, Jean Paul Reau, director of the French Institute in Taipei. The institute previously handled mainly cultural and scientific exchanges. The countries do not have diplomatic relations.

Unlike his two predecessors, who were retired diplomats, Mr. Reau retains his active status at the French Foreign Ministry. He said there had been no change in France's policy toward China, but he added that other "adjustments" would be made as relations between France and Taiwan improved.

Drug Trade Shifts to China and India

BANGKOK (AFP) — Heroin syndicates are now using China and India, not Thailand, as their primary transit countries to smuggle heroin to the West from the so-called Golden Triangle poppy-growing area, a Thai drug official said Thursday.

The main Burmese section of the triangle, which covers the border areas of Burma, northern Thailand and Laos, produces about 185 tons of heroin annually, according to U.S. State Department estimates.

Narong Suwanapim, deputy secretary-general of Thailand's Office of the Narcotics Control Board, said that the smuggling routes were now through Burma to China and India.

For the Record

Two men suspected of robbing sleeping passengers on French night trains for more than two years have been arrested, rail officials said Thursday. A state railroad spokesman said the two, arrested in the Marseille region late Wednesday, were thought responsible for hundreds of thefts from trains between Lyon and Marseille. (Reuters)

TRAVEL UPDATE

Bonn Sees Tolls Linked to Gas Tax

BONN (IHT) — A proposed German autobahn user fee will almost certainly be lower than originally considered, but it might be linked to a higher fuel tax, government officials said Thursday amid vehement public criticism of the plan.

Environment Minister Klaus Töpper said it would be unthinkable to charge a flat fee for use of the highway system, because that would give motorists no incentive to drive less or use trains. The main purpose of the plan is to help finance a reform of the federal rail system beginning in 1994.

Mr. Töpper said a higher gasoline tax accompanying an autobahn fee would be a "reasonable compromise." Aides to Chancellor Helmut Kohl, meanwhile, said the user fee would probably be considerably below 300 Deutsche marks (\$180) a year.

Cyprus asked a consortium of two French companies, Aeroports de Paris and Sofreavia, to draw up plans to develop Larnaca airport in the southeast of the island. The plans include designs for a control tower, a passenger terminal and duty-free facilities. (AFP)

Lufthansa made a trial return to Zagreb on Thursday, but other foreign airlines continued to avoid the Croatian capital. Lufthansa, Swissair, Austrian Airlines and Air France suspended flights after a German relief plane was hit by Serbian anti-aircraft fire Sunday. A Croatian official said the airline would review the situation daily. (Reuters)

The Federal Aviation Administration has said it will ask airlines to monitor passenger use of such devices as laptop computers to see what effect they might have on the plane's instruments and radios. (Reuters)

China plans to invest more than \$5 billion in the next 10 years to build tourist zones in southern Guangdong Province, a Beijing-funded newspaper Wen Wei Po, has reported. The zones are to be built in the cities of Zhuhai, Dongguan, Zhaoqing, Canton and Zhongshan. (AP)

Air France's agreement with Vietnam Airlines will include upgrading Hanoi's carrier by providing aircraft, training pilots and possibly opening a shuttle between Hanoi and Ho Chi Minh City, airline sources in Vietnam said Thursday. (Reuters)

M. Bourges-Maunoury Dies, Led French Government

PARIS — A former French prime minister, Maurice Bourges-Maunoury, 78, a key figure in the British-French 1956 Suez expedition, died Wednesday in Paris, friends said Thursday.

Mr. Bourges-Maunoury, a center-leftist in domestic affairs but a hawk on international issues, was France's defense minister when the Egyptian leader, Gamal Abdel Nasser, nationalized the Suez Canal in July 1956.

French historians agree that Mr. Bourges-Maunoury, angry at Egypt's support for nationalist rebels in the Algerian war against French rule, persuaded Prime Minister Guy Mollet that France and Britain should wrest control of the canal back from Egypt.

A lawyer by training, he came to politics via the Resistance in which he played a major role.

Bowing to Modern Trends

In another break with tradition, the monarchy said Thursday that it would allow those invited to royal garden parties, including homosexuals, to bring boyfriends and girlfriends, Reuters reported.

Until now, only single people and unmarried daughters between the ages of 18 and 25 were acceptable companions. Under the new regulations, homosexual couples will be as free as heterosexual couples to roam Queen Elizabeth's gardens or to line up for a royal handshake.

But only single people may bring companions. A married man bringing his mistress will not be welcome, Buckingham Palace said. Children under the age of 18 will still be excluded.

Balkan Factions Welcome U.S. Plan

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — Warring sides in the former Yugoslavia gave a general welcome to the United States' new commitment to trying to negotiate an end to the civil war in Bosnia.

The government of the rump Yugoslav federation, which consists of Serbia and Montenegro, welcomed Washington's initiative but said it regretted the U.S. threat of more sanctions against Belgrade.

"The Yugoslav government regretfully notes that the U.S. secretary of state continues unjustifiably to threaten to tighten sanctions against Yugoslavia," the leadership said in a statement reported by the news agency Tanjug.

President Alija Izetbegovic, leader of Bosnia's Muslims, put a positive spin on the U.S. plan, which names a special envoy to peace talks, supports tougher sanctions against Serbia and the establishment of war crimes tribunals, and includes a greater U.S. commitment to ensuring humanitarian aid.

"Having a representative of the United States brings pressure for a better understanding of our problem in Bosnia-Herzegovina," Mr. Izetbegovic said.

"I think that Americans have a better understanding of what a multicultural community is, better than the Europeans have," he said. "National rights are better understood in Europe, and human rights

are better understood in America."

But Mr. Izetbegovic acknowledged that President Bill Clinton had considered and rejected the one demand that the Bosnian government has continually made — an end to a general arms embargo that Bosnia can buy weapons to fight the Serbian rebels.

On that, Mr. Izetbegovic said bitterly, "nothing has been changed, mainly due to our European friends."

In Ankara, the Turkish foreign minister, Hikmet Cetin, said the U.S. initiative was "important but incomplete," without any provision for military force should diplomacy fail.

"To be effective, it would have to legitimize the use of force should peaceful attempts fail," he said.

Manfred Wöner, secretary-general of the North Atlantic Treaty Organization, welcomed the U.S. commitment to "engage actively and directly" in ending the conflict.

Mr. Wöner said that he was particularly pleased that Mr. Clinton was ready to help enforce any agreement and that he had warned the Serbs about extending the conflict into other areas of former Yugoslavia or the Balkans.

The 12-nation European Community, which has been trying to broker peace agreements, was also relieved that the United States had taken a more active role.

(Reuters, AP, AFP)



Reginald Bartholomew, the new U.S. envoy to the Bosnia talks, will hold discussions in Moscow.

Bosnia Bars Aid Effort In Sarajevo

New York Times Service

BELGRADE — Bosnia's government has notified the United Nations that it will not allow further deliveries of humanitarian aid into the capital, Sarajevo, out of solidarity with more than 100,000 Bosnians trapped by Serbian forces in the eastern part of the former Yugoslav republic, UN officials said Thursday.

"They are not permitting any aid to be distributed," said José Maria Mendiluce, a UN refugee official. He said that officials in the northern Bosnian city of Tuzla were threatening to mount a similar blockade.

"The people in Sarajevo and Tuzla are desperate because they know that thousands of people are preparing to leave eastern Bosnia because they are under attack," Mr. Mendiluce said. "They want us to reach these locations, they are making pressure and I think they are right to make pressure."

Mr. Mendiluce blamed the Serbs for not allowing the UN aid convoys to enter Cerska, Kamenska and Zepa and other areas.

In Sarajevo, Muslim Slav forces loyal to Bosnia's government engaged in one of the fiercest rounds of fighting in weeks with the rebel Serbs, news reports said.

Craxi Resigns As the Leader of Italy's Socialists

Reuters

ROME — Former Prime Minister Bettino Craxi resigned Thursday as leader of Italy's Socialists over a corruption scandal that has rocked the government.

"My mandate has expired and is formally at your disposal as of today," Mr. Craxi said at a party assembly. "I pledge my full support for the future party secretary."

Mr. Craxi, who was prime minister from 1983 to 1987, is under scrutiny by Milan magistrates investigating a political bribery scandal.

"New leaders and a new political generation must take over the party," he said, adding that he wanted to devote all his time and energy to fighting the case against him.

The scandal has affected all the leading political parties but has particularly serious repercussions for the Socialist Party, of which Prime Minister Giuliano Amato is a member.

U.S.: Bosnia Policy Puts American Prestige on the Line

(Continued from page 1)

backers as aggressors, the administration's proposals appear meant to give pause not only to the Serbs but also to the Bosnian Muslims.

The Serbs were cautioned to beware of American wrath, a warning conveyed in the calls for war-crimes investigations, enforcement of a no-flight zone over Bosnia and tighter economic sanctions. Mr. Christopher also went out of his way to warn Serbia away from Kosovo and Macedonia, where Serbs have territorial ambitions.

At the same time, Bosnian Muslims were given notice that the United States intends to work within the framework of the mediating process begun by Cyrus R. Vance, the UN negotiator, and Lord Owen, the European Community mediator.

Muslims have rejected the Vance-Owen plan, which calls for the division of Bosnia into 10 semi-autonomous regions and which would give 40 percent of Bosnian territory to ethnic Serbs. The Serbs have yet to agree fully to the plan.

The administration has criticized the results of the Vance-Owen initiative as rewarding Serbian aggression, but it is now sending a special envoy to join in the effort and probably to alter it.

"The administration has given the impression of opposing Vance-Owen, but they are all really on the same wavelength," said Patrick Glen, an analyst at the American Enterprise Institute, a conservative research organization.

The payoff for Bosnian Muslim cooperation appears to be the promise of U.S. troops to help enforce any agreement reached by the warring groups.

Such intervention under a UN flag and in concert with European allies would presumably prevent further disintegration of Bosnia.

Any "plan will stand or fall not on whether the parties are genuine in their desire for peace," said Jonathan Eyal, director of studies at the Royal United Services Institute in London. "The plan will stand or fall on how many troops the West is prepared to commit."

The West must also be willing to stand up to the Serbian militias by saying, "If you don't get out in 24 hours, we will kick you out," he said.

Mr. Eyal and others have estimated that 50,000 troops would be

needed in Bosnia to enforce a peace accord.

Taking the lead in the Balkans places the United States in the vortex of competing interests among European states, Muslim nations and Russia.

Western Europe has trod warily, reluctant to get involved in a war that many on the continent feel is as foreign as many Americans do. Britain, France and Italy, with peacekeeping troops in the Balkans, worry that half-measures there could lead to casualties among their own forces.

Muslim states, including U.S. allies such as Egypt, Saudi Arabia and Turkey, have pressed for the lifting of a UN arms embargo that they believe largely penalizes Bosnia's beleaguered Muslims while weapons flow to the Serbs.

Russia, which has historical ties with the Serbs, has resisted efforts to punish them. "It is especially important to get the Russians on board to avoid some sort of East-West struggle," said a Western diplomat.

Administration officials argue that such competing international interests offer a compelling reason for Washington to take the lead.

RUSSIA: Central Role for Moscow

(Continued from page 1)

the peace talks, but also vowed to "keep the pressure on for an early agreement on a comprehensive peace settlement in the context of the discussions already under way in the Security Council."

Mr. Bartholomew said he would travel to Moscow on Friday for talks "to develop and maintain the cooperative relationship that is important on this issue."

The fact that any deal the Clinton administration helps to broker is unlikely to be very different from the Vance-Owen plan was made clear in Moscow on Wednesday when Deputy Foreign Minister Vitali I. Churkin urged the Security Council to approve the plan and end the embargo on the rump Yugoslav federation of Serbia and Montenegro if the plan is accepted by all.

"We have only two hopes in this situation," Mr. Churkin said. "One is Cyrus Vance and the other is Lord Owen."

By sending Mr. Bartholomew to Moscow and by telephoning Mr. Yeltsin on Wednesday before the U.S. plan was unveiled, Mr. Clinton has asked Moscow to use its

considerable psychological influence with the isolated Serbian government to reach a settlement.

Ethnically Slav like the Serbs, sharing an Orthodox faith and speaking a related language, Russia is about the only country to have shown any sympathy for Slobodan Milosevic, president of the Serbian republic.

Mr. Milosevic is widely blamed for having started the war in Bosnia, and he may also be the only man capable of ending it through his influence over Bosnia's nationalist Serbian leadership.

To encourage Mr. Milosevic to press the Serbs in Bosnia, the United States, Britain and France are ready to impose a much tighter economic blockade on Serbia and Montenegro.

But sanctions against Serbia have proved unpopular with the Russian parliament, a fact that has raised fears that Mr. Yeltsin might use his Security Council veto to block a tighter embargo.

Involving Mr. Yeltsin is thus an attempt both to ensure that new sanctions will not be needed and to persuade him not to veto them if they are.

Mr. Major added that the Prince of Wales was a party to the same arrangement and that it would "continue indefinitely," presumably meaning after his accession to the throne.

But the announcement did not mean that the public would ever know the true wealth of the queen. Nor was it revealed how large her taxes would be. Both she and the prince "will have the confidential-

ROYALS: Taxes for Queen and a Hint of Her Wealth

(Continued from page 1)

ity of any other taxpayer," Mr. Major said.

Some specialists calculated that her private investments deemed liable for tax purposes could amount to approximately \$75 million and that the tax bill would be between \$1.5 million and \$3 million a year.

At a press conference, Lord Airie, lord chamberlain and head of the queen's household, sought to knock down gross exaggerations of her wealth, saying that she had authorized him to debunk "wilder estimates."

She is reputedly one of the world's richest women, and some estimates of her wealth, including national treasures, run as high as \$10 billion. But Lord Airie asserted that estimates closer to \$100 million were "grossly overstated."

Under the new regulations, homosexual couples will be as free as heterosexual couples to roam Queen Elizabeth's gardens or to line up for a royal handshake.

But only single people may bring companions. A married man bringing his mistress will not be welcome, Buckingham Palace said. Children under the age of 18 will still be excluded.

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TRADE: Clinton Subsidy Warning

(Continued from page 1)

makers in Britain, France, Spain and Germany. According to the U.S. Department of Commerce, EC governments have provided about \$26 billion in direct support over the past two decades. The EC has contended that Washington has indirectly subsidized its manufacturers with up to \$41 billion worth of aid.

Washington has argued that the European subsidies place U.S. manufacturers at an unfair disadvantage in the marketplace.

There was no immediate response from the White House.

A Boeing official said the company was "definitely pleased" that Mr. Clinton had addressed the general issue of subsidies and added:

"It's something we've been pursuing for quite a while now."

One aviation industry analyst said he viewed Mr. Clinton's comments as more of an effort to reassure Boeing and McDonnell Douglas rather than as a salvo in an escalating trade war.

"Things

Mitterrand Appeals On Cambodia Pact

Compiled by Our Staff From Dispatches
PHNOM PENH — President François Mitterrand of France urged Cambodia's disputing factions on Thursday to respect the terms of the peace treaty they signed in Paris 16 months ago.

Prince Norodom Sihanouk, the Cambodian leader who returned to the country this week to preside over a meeting of the Supreme National Council, said he did not think there would be major warfare in Cambodia, but he saw little chance of true peace.

Mr. Mitterrand is the first Western head of state to visit Cambodia since Charles de Gaulle came in 1966, hoping to keep the country out of the Vietnam War. Cambodia became involved in the war despite de Gaulle's efforts and has since suffered revolution, a Khmer Rouge reign of terror, occupation and continuing civil war.

France co-chaired a conference in October 1991 at which four Cambodian factions agreed to

peace terms. The accord led to the deployment last year of a United Nations peacekeeping mission, now numbering 21,000. But the Maoist Khmer Rouge guerrilla faction is refusing to respect the terms of the accord or take part in UN-organized elections set for May 23 to 25.

The Khmer Rouge has condemned Mr. Mitterrand's visit as illegal, saying it bolsters the government installed by Hanoi after Vietnam invaded Cambodia in December 1978 to depose the Khmer Rouge.

Mr. Mitterrand met Thursday with the leaders of the four factions, including the Khmer Rouge leader, Khieu Samphan, at the Royal Palace in Phnom Penh after an hour of talks with Prince Sihanouk, the head of the Supreme National Council, who has announced that he is a presidential candidate. The council is made up of all the country's factions.

(Reuters, AFP)

Asian Satellite Space Cluttered by Claim Jumpers

By Michael Richardson

International Herald Tribune

SINGAPORE — A rush by competing government agencies and private firms to put communication and television satellites into orbit over Asia and the Pacific has regulators and company executives seriously worried about a new phenomenon: claim jumping in space.

With about 35 satellites already positioned above the Equator in the Asia-Pacific region, and more than 15 launches planned for the next two years alone to tap growing consumer demand, rivalry for a diminishing number of available slots in the orbital arc threatens to disrupt communications services.

Outraged competition may also throw United Nations regulations for coordinating satellite positions into disarray, since there is no way of enforcing existing rules.

Andrew Jordan, marketing manager of AsiaSat, the Asia Satellite Telecommunications Co. of Hong Kong, said Thursday that many government agencies and international companies entering the satellite business see Asia and the Pacific as "a gold mine," the world's fastest growing area for telecommunications and television.

But he warned that supply was rapidly

falling behind demand for places along the narrow band about 36,000 kilometers (22,000 miles) above the Equator, where such satellites have to be positioned to remain in geostationary orbit.

AsiaSat — a joint venture of Cable & Wireless PLC of Britain, China International Trust & Investment Corp. of China, and Hutchison Whampoa Ltd. of Hong Kong — became the first privately funded satellite operator in Asia when its satellite was launched in 1990. Since then, there has been a dramatic expansion of the regional satellite network.

Huge sums of money are involved. To build a large commercial satellite and put it into space costs well over \$125 million.

However, if satellites operating in the same frequency or covering a similar area are placed within 2.5 degrees, or 18,750 kilometers, of each other in the parking band, they cause mutual interference.

While this has not happened yet, Gary Brooks, one of five members of the International Frequency Registration Board in Geneva, said that his organization was confronted with "a very large number of competing claims for very similar orbital positions" above Asia and the Pacific. The board is an arm of the International Tele-

communications Union, a UN agency.

AsiaSat estimates that 30 Asia-Pacific claims have been filed with the board for about a dozen slots of which only a handful conform to the correct spacing.

Mr. Brooks said that "miles" of national authorities and commercial interests backing such claims were prepared to be flexible and adjust their requirements, the situation "could lead into anarchy" as operators who can get their satellites into orbit first try to jump the queue.

Conflicting claims for the best available orbital positions in the area include:

• Thailand's privately owned Shinawatra Satellite Co. has said in filing data with the frequency registration board in Geneva that it will put two satellites in or near positions previously claimed by AsiaSat.

Shinawatra plans to launch its first satellite at the end of 1993, a year ahead of the launching of AsiaSat 2, which will be one of the largest and most powerful commercial satellites ever placed in orbit.

• One of Indonesia's national satellites was moved months ago into a position claimed by Rimsat, a company party owned by the government of Tonga. Rimsat, formerly known as Tongsat, has filed for six orbital slots with the apparent in-

tervention of selling spaces to other companies.

• APT Satellite Co., a China-Thailand joint venture led by three Chinese state-owned companies, will soon move an old satellite into a position held by South Korea for its first national communications satellite, to be launched in 1995. A spokesman for Korea Telecom in Seoul said that the conflict was a serious threat to South Korea's satellite program.

• Intelsat, the International Telecommunications Satellite Organization, recently moved one of its satellites into a position earlier claimed by Malaysia, which plans to launch its first satellite in 1994 or 1995. Intelsat, the world's largest operator of commercial satellites, is in the midst of moving a second satellite into another position claimed by Malaysia, although Malaysia is one of more than 100 member countries of Intelsat.

Tony Trujillo, an Intelsat spokesman in Washington, said that if necessary both satellites would be moved to make way for the two Malaysian satellites, if they were launched. "What we are trying to do is work out new ways to squeeze in more satellites," he said.

King David Is Called Homosexual In Knesset

Agence France-Press

JERUSALEM — A Israeli Labor legislator has branded King David a homosexual in a call for Israel "to come out of the closet."

The Knesset erupted into pandemonium when Yael Dayan, daughter of the former defense minister Moshe Dayan, quoted from the Bible on Wednesday during a debate on discrimination against homosexuals in the army.

Mr. Dayan was outraged and warned that he could be forced to move the coalition — which is backed by the leftist Meretz — much further to the right.

Miss Dayan cited the Second Book of Samuel, in which David talks of his relationship with the slain Jonathan, son of King Saul, to support her case that the army discriminates.

"I am distressed for thee, my brother Jonathan. Very pleasant has thou been unto me."

"Wonderful was thy love to me, passing the love of women," she quoted, before repeating the verse and wondering if it should perhaps be censored as religious legislators tried to prevent her from continuing.

"I'm quoting the Bible word for word," she said. "Your interpretation is as good as mine."

Miss Dayan added other historical Jewish figures to her list of alleged homosexuals such as Shimon HaTanner, military leader of the army of the Hasmonean kingdom in the 1st century B.C., and the first gay Jewish chief of staff, she noted.

Her father was army chief of staff in Israel.

Miss Dayan, who last week staged the first gathering of homosexuals and lesbians at the Knesset, urged Israeli society "and this house to come out of the closet."

German Rightists Wound an Indian

Compiled by Our Staff From Dispatches

BERLIN — German racists fractured the skull of a 42-year-old Indian when they beat him with clubs in eastern Germany, the police said Thursday.

Five youths attacked the man in Stahrdorf on Tuesday night as he returned to his car after a visit, the police said. The attackers fled.

The man, who lives in Hamburg, was taken to a hospital in Greifswald on the Baltic coast with head and eye injuries.

In a separate incident, a home for foreigners seeking asylum in Germany was set afire early Wednesday in Wismar, near Greifswald, the police said. No injuries were reported.

Attacks on foreigners have become frequent since the former East and West Germans were uni-

fied in 1990. Last year, nearly 2,300 such attacks were reported in which 17 people were killed.

Minister of the Interior Minister of Mecklenburg state was dismissed Thursday for failing to crack down on riots against foreigners near Rostock last year, according to an announcement in Schwerm.

Lothar Kupfer, interior minister for Mecklenburg-West Pomerania and a member of Chancellor Helmut Kohl's Christian Democratic Union, has been undergoing questioning for several weeks on charges of negligence in handling the Rostock riots, which were the worst racial violence to hit the country since 1945.

Mr. Kupfer is also accused of covering up agreements between the police and extreme rightists who attacked an immigrant hostel in a suburb of Rostock last summer, official sources said.

Hundreds of youths cheered on by thousands of local residents, attacked the hostel for five successive nights in August.

Several police officials from Rostock recently admitted to a parliamentary investigative committee that they had agreed during those riots to pull back police posted around the hostel so the rioters could see that most of the hostel's residents had left.

Instead, the rioters then set fire to the building, forcing dozens of Vietnamese men living inside to flee across its roof.

Mr. Kupfer is charged with failing to immediately order security forces to stop the riots.

(Reuters, AFP)

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Feb. 11, 1993

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Diplomacy for Bosnia

A Way Worth Trying

To bring peace to Bosnia, President Bill Clinton has decided to defer the hard choices about military intervention for the moment and give diplomacy another chance. Until now the diplomatic effort to end the Bosnian catastrophe has been led by the United Nations and the European Community, neither of which carries much weight in the Balkans. Mr. Clinton is betting that negotiations will make better progress if the United States and, evidently, Russia begin to push them. His invitation to the Russians to take an active part is sensible and may open useful channels to the Serbs.

To get their attention, the new American plan calls for more vigorous enforcement of the embargo. It also requires a demonstrated readiness to employ military force if all else fails. Whether this approach will work is clearly uncertain, but it is worth trying.

Secretary of State Warren Christopher says that he will "build on" the work of Cyrus Vance and Lord Owen, who have tried for months to mediate. But he declines to endorse any part of their plan. The whole idea of a map dividing Bosnia into provinces, each to be given to one ethnic group or another, is fundamentally wrong. As Mr. Christopher observed, whatever solution emerges in Bosnia will stand as a precedent for all the other places around the world where ethnic

quarrels have degenerated into civil war. To commit the United Nations to the concept of dividing countries into ethnic minorities would be a terrible error.

The right answer — if the bloodstained militias can be led toward it — is a rule that protects the rights of everybody, majority or minority, under international guarantees, wherever they live. Whether anything as reasonable as that is still possible after the uncounted atrocities of the past year is perhaps open to doubt. But with the United States and Russia now explicitly among the future guarantors, it offers a hope that has not been there before. Any alternative would, like the Vance-Owen plan, result in massive flows of desperate refugees as people tried to get out of the towns and villages where they found themselves in the minority.

It is reassuring that Mr. Christopher has not forgotten about the United Nations' responsibility to prosecute the people who committed the many war crimes that Bosnian Muslims — and not only Muslims — have suffered. That will not make the negotiators' job any easier, for several of the people with whom they will be dealing are precisely those who ought to be tried first. But if there is to be a real peace, it has to include an accounting for the systematic persecution of civilians that, even by the usual brutal standards of civil war, has made this example particularly execrable.

— THE WASHINGTON POST

Return to Better Ideas

As if his first three weeks had not been bumpy enough, Bill Clinton now places a tentative foot on the slippery slope of military engagement. Is anyone around the Oval Office reading history books? It is endemic to the office that presidents come in full of illusions about the ease of projecting military force. They almost always regret their first sallies into combat. The kind of power that a president commands brings with it the temptation to act before he has had time to grow wise and careful in his use.

As Mr. Clinton talks in carefully hedged terms about sending American troops to Bosnia, examples ranging from the Bay of Pigs to the Beirut barracks bombing fairly shout at him to go slowly with military initiatives unless the purposes are fully understood and supported by the American people. But Mr. Clinton is not listening to the shouted lessons of history. Instead he is hearing the soothing blandishments, the temperate diplomatic whispers of David Owen, Cyrus Vance and their allies in the trans-Atlantic community of security experts.

Every criticism of their so-called peace plan brings a frenzy of assurances from the foreign policy establishment that they are honorable men. And so they are honorable men. But they also happen to be giving a new president advice that is as dangerous as a person in Mr. Clinton's position can receive. This is not the time to talk about putting 15,000 American servicemen and women into a caldron of violence that America's European allies have studiously refused to take on themselves.

Secretary of State Warren Christopher carefully conditioned any commitment of American troops. And his statements on Wednesday were more cautious than the hawkish briefings being conducted by White House aides Tuesday night. But President Clinton should slow down even more and reconsider before events and diplomatic pressure carry him toward a decision to deploy those troops.

At this point, Mr. Clinton literally doesn't know what he's getting into. More Bosnians could be saved, at far less Ameri-

can risk, by focusing U.S. diplomacy and air power on the real problem — Serbian militias intent not just on territory but on forcible expulsion of the inhabitants, mass rape and wholesale murder.

The Vance-Owen plan calls for 30,000 peacekeepers, half of them American. If they follow standard United Nations procedures, they would be exposed to unnecessary risk. Lightly armed and subject to highly restrictive rules of engagement, they would be asked to monitor the cease-fire lines and "supervise" heavy artillery. If the Serbs or anyone else violated the agreement, the peacekeepers could either hold their ground or withdraw. What they could not effectively do, without a very different mandate and deployment, is protect innocent lives or compel peace.

During his presidential campaign, Mr. Clinton had some better ideas. He talked about lifting the UN arms embargo that prevents Bosnians from effectively defending themselves. He proposed using American air power to counter Serbian aggression. And he drew a firm line against using American ground troops in any capacity.

The problem with these good ideas is that key European governments, like those of Britain, Russia and France, don't like them. For historical reasons having nothing to do with humanitarian needs or American interests, those countries are reluctant to put the full squeeze on Serbian leaders. That is exactly why they have all ended up endorsing the Vance-Owen nonresolution and pressuring Washington to endorse it — and commit troops to it.

Mr. Clinton does not relish the idea of going against European allies on a European issue. Nor does he want to act unilaterally, particularly when it comes to military options. But as president of the United States he has wider responsibilities than accommodating the political needs of European leaders, and better choices than cosmetically modifying the Vance-Owen plan.

He can, for example, lead the way with an American plan based on his own sensible campaign suggestions. At the very least, he can step back from the slippery slope.

— THE NEW YORK TIMES

Other Comment

Clinton and Bosnia

The long-awaited announcement of the Clinton administration's position on Bosnia should come as a relief to those, like UN Secretary-General Boutros Boutros Ghali, who feared that the new president might stick too closely to the position he took during the campaign by adopting a tougher attitude on the Yugoslav conflict.

The United States does not entirely support the plan put forth by Cyrus Vance and Lord Owen — who nevertheless saluted the American decision to take a more active role in the peace process — but at least this resolute U.S. commitment to support a "diplomatic solution" will send a message to the Bosnian government that it would be in vain to count on a military intervention. There are also risks, however, in this official commitment of American diplomacy. If things go well, the United States assumes a role in the success of negotiations — but if not, in their failure.

— Pierre Brion in *Libération* (Paris).

At last, the United States has moved forcefully into the Bosnian question. The program announced Wednesday by Secretary of State Warren Christopher changes the equation on the ground. It creates pressure on the Serbs and the Muslims to accept an amended Vance-Owen plan that would give more space to the Muslims.

In doing this, the Clinton administration has abandoned the assumption that Yugoslavia is a European problem for Europe to resolve. The very heritage and proximity that make it European have made European countries unable, individually or collectively, to handle it. European intervention,

as in Germany's recognition of the dismemberment of Yugoslavia, made the catastrophe inevitable. Each European country carries baggage from the past. The United States does not carry such baggage. It brings a credibility to the mediating role that European countries lack.

In adding a military commitment — even one delayed till after a political agreement — the Clinton administration is refusing to accept limitations on its ability to call upon the U.S. military establishment. The differences between President Clinton and the Pentagon are known in the Balkans.

The policy outlined by Warren Christopher is not guaranteed success. But it is a good-faith effort and takes the moral high road, which until now had been lost in the mountain mists of Bosnia. Americans should wish it every success.

— The Baltimore Sun

The vain diplomatic efforts to achieve peace in Bosnia have brought the United States to the threshold of a military intervention. Nonmilitary possibilities have been used up, as the fate of the Vance-Owen mission shows. Nonetheless, Paris and London remain reserved. For them, only the protection of humanitarian aid is possible. But without decisive military action, a Serbian withdrawal cannot be achieved. And if the fighting continues, allied troops could eventually be drawn into a partisan war. Europeans must share the risks with the Americans. The Germans would probably stay out of any such action. But that would accelerate the crisis in the alliance, affecting Germany's position.

— *Lehrer Rühl in Die Welt* (Bonn).

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 46.37.93.00. Telex: Circulation, 612832; Production, 630698.
Chairman of the Publication: Richard D. Simmons
Director, from 1985 to 1992: John Hey Whitney

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S.A. au capital de 1.200.000 F. RCS Nanterre B 732021/126. Commission Paritaire No. 61337
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Clinton on Bosnia: A Pledge to Find a Plan, Maybe

NEW YORK — Finally, the United States has accepted a leadership role in the Balkan crisis. That is the main point of the modest diplomatic initiatives unveiled on Wednesday by Secretary of State Warren Christopher.

Reversing the largely rhetorical and passive stance of the Bush administration, President Bill Clinton has now committed the United States to finding a comprehensive plan to

act — with or without Cyrus Vance and David Owen. But the lead should remain with them and the United Nations.

Second, how can Mr. Christopher continue to speak publicly of supporting the Vance-Owen ethnic enclave proposal — thereby undermining the administration's own plans to modify it — when he continues to

would bloody it daily. No peacekeeping force of 50,000 or 100,000 or whatever, could stop them.

Third, while the Christopher approach thankfully offers to put new teeth into the economic embargo against Serbia, do administration officials really believe that this will compel Belgrade to stop the war, let alone roll back its territorial gains? The currency most appreciated in the Balkans, as elsewhere, is force.

Fourth, does Mr. Christopher's dance around the central issue of threatening and using force mean that the United States will not prompt discussions of force for months to come?

To be sure, he spoke of unspecified American military involvement to enforce a treaty agreed to by all parties. He also alluded to the possible use of U.S. troops to help humanitarian deliveries. But these measures barely scratch the surface of what will be needed.

In my opinion, only the prospect of the West intervening and/or arming Croats and Bosnian Muslims can stem the Serbs into stopping. I know well the fears, difficulties and dangers in this course. But I am equally convinced that limited military means can be found to send the necessary messages and protect population centers and aid deliveries — means and manpower far less than the 100,000 troops that will be needed to police any "negotiated" settlement.

European leaders know the futility of diplomacy without force. But, rather than risk using force, they are prepared to accept the strategic and moral consequences of ethnic cleansing. President Clinton, now that he has edged toward the Balkan inferno, must live up to American values.

The New York Times

Limited military means can be found to send the necessary messages and protect population centers.

combat the deadly virus of nationalism that threatens to obliterate hope for a new world order.

But there should be no illusions about Wednesday's presentation. It represents a retreat from Mr. Clinton's promised tough approach. And the fact that Secretary Christopher did the unveiling shows that the president does not want to commit himself fully and personally to this enterprise.

Also noteworthy was that Mr. Christopher carefully sidestepped calling his offerings a "plan" or even a "policy." And rightly so. What he outlined was, rather, a means to a plan — if one can be devised with the approval of the United Nations, Western European allies, Russia and the warring parties in Bosnia themselves.

With the U.S. military and allies all resisting the use of force, with allies and Russia refusing to arm Bosnian Muslims, with the United Nations digging in against deviations from the Vance-Owen peace plan and with widespread concern that foreign crises will divert energies from domestic priorities, the Christopher approach was probably the most that Clinton aides could cobble together now.

At bottom, what Mr. Christopher presented reflected a series of complicated bureaucratic and diplomatic compromises, a tentative and temporizing patchwork that raises more questions than it answers.

First, how will the appointment of a special U.S. envoy avoid transforming a UN responsibility into a U.S. responsibility? Such usurpation is wrong for the Bosnian crisis and disastrous for any long-term effort to strengthen the United Nations. No effective plan for Bosnia will ever command the necessary international backing unless rooted in the Security Council.

Reginald Bartholomew, the envoy and a first-class pro, will be under great pressure from his superiors to

dam it privately? If Clinton aides believe that it is fundamentally flawed, their own efforts merely to modify it make little sense.

My own view is that no negotiated peace will be possible for some time. Bosnian hatreds run too deep. Even if the parties signed an agreement, they

Worthy Sentiment, Unsolved Problem

WASHINGTON — The Clinton administration has produced a policy on Bosnia in about the same way a mouse makes its way out of a maze: by a process of elimination.

Gone is the casual and somewhat bombastic rhetoric of the presidential campaign when Bill Clinton himself indicated that he might use force to teach the Serbs a thing or two. In its place is a deep and intimidating ap-

The refusal to support the Vance-Owen plan has hurt the chances of peace.

preciation of the Balkans as one tough neighborhood. History, not to mention prudence, says stay out.

One by one, certain alternatives were discarded. The first to go was the idea of arming the Bosnian Muslims so they could better fight the Serbs. The Europeans were aghast at that one, arguing sensibly that it would only intensify the war.

Before the Bosnian army, essentially a light infantry of Third World fighting caliber, could be trained to use heavy weapons, the Serbs would attempt to move in for the kill. In this they might well be aided by the mostly Serbian Yugoslav army.

Come, too, is the notion that air power could substantially affect the war. The Pentagon argues that it can-

not — that the Serbs, unlike the Iraqis, would not be so dumb as to keep their heavy artillery in one place, and anyway the mountains are no place for fast-moving airplanes. Iraq is a mere video game compared to the conditions pilots would encounter in Bosnia. Military intervention, if it were to be successful, would have to be with troops — lots of them.

The trouble is that in eliminating one option after another, the Clinton administration has also withheld support from the peace plan proposed by David Owen, representing the European Community, and Cyrus Vance of the United States. At the White House, the plan is seen as an appeasement of Serbia, a repugnant reward for its policy of "ethnic cleansing."

Moreover, the Bosnian Muslims have rejected it, and the Clinton administration is not about to make the Muslims accept a settlement against their will. Whether this gives them ultimate veto power over any plan remains to be seen. The White House says not, but so far that has been the case.

John Reed, writing in 1916, said, "The Macedonian question has been the cause of every great European war for the last 50 years." At that time he was right. Much has changed since, including, of course, the disappearance of several empires. Never-

theless, at the White House the thinking is that Mr. Reed's observation is still valid: The present Balkan war could spread elsewhere in Europe, beginning in Macedonia and ending (via Greece) in Turkey.

The possibility cannot be ruled out — nothing can be ruled out in the Balkans — but the opportunities for great-power mischief that produced the Balkan wars of the past are now greatly diminished. Germany, for one, would like the whole area to just disappear.

The Clinton administration has announced that it is willing to use American forces in Bosnia as part of a NATO peacekeeping force. That decision is predicated on two assumptions. The first is that without American leadership and commitment, the Europeans themselves will never come to grips with the tragedy of the Balkans.

The second is that unless the United States is willing to put its force where its mouth is, Washington will lack credibility in the rest of the world. Other despots, present and future, may be taking the measure of the United States to see what they can get away with.

Those sentiments, plus the strong feeling that we are all morally diminished by what is happening in Bosnia, are persuasive. The problem remains, though, that before there can be peacekeeping, there must be peace. And that has not yet happened.

Indeed, the refusal of the Clinton administration to support the Vance-Owen peace plan has made the chances of that even poorer.

The White House seems to feel that it has an obligation to do something in Bosnia. But it is proceeding without having made the case that American interests are clearly at stake, or that anything other than a kind of permanent occupation of the former Yugoslavia will end the fighting.

Through no fault of Mr. Clinton's, an American involvement in the peace plan comes late. But this urge to do good has got the United States in trouble before — once in Vietnam, more briefly in Lebanon.

It is the latter experience that haunts the Pentagon and is precisely the analogy offered years ago by the former Yugoslav dissident, Milovan Djilas. Asked what would become of his country, he gave a one-word answer: Lebanon.

The Washington Post

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Royal Betrothal

LONDON — Sensation was caused yesterday [Feb. 11] by the report that the betrothal of the Duke of York with Princess May of Teck would be formally announced at the dinner party to be given by the Queen. The report caused intense interest in the neighborhood of Richmond, where the Duke and Duchess of Teck reside. The Prince of Wales had been a visitor there several times of late.

1918: Kaiser's Terms

BALE — The Kaiser, speaking about the peace with Ukraine, said: "We have lived through difficult times and each has had to bear his burden. We Germans still have ideals; we must strive for better times, fight for right and moral fidelity. God wills peace, but a peace in which the world will strive to accomplish that which is just and good. We must bring peace to the world. The enemy, who has been beaten by our arms, sees that it is no longer any use fighting. Whosoever holds out his hand to us shall receive ours. We desire to live on friendly terms with the neighbors but the victory of our arms must first be recognized. Our troops led by our great Hindenburg will continue to follow up this victory, then peace will come."

Get Russia Involved in Peace Duty

By Flora Lewis

PARIS — Line up. Take sides. Rush to the aid of the enemy of your old enemy. That has always been war in Europe. And when it was over, there was bargaining to produce an apparent balance of newly consolidated powers, a pretense of renouncing old ambitions, a quiet musing of grievances, and a search for new enemies of your old enemy to turn the tide. That has usually been peace in Europe.

Since World War II, there were two big differences. The Continent and much of the world was divided in two hostile blocs that kept a certain order within their camps. That has broken down, to be replaced by a very tenuous, uncertain attempt to make the United Nations a guarantor of peace, as originally intended.

Secondly, West European countries organized to change the very texture of their relations, creating a new structure of community to contain inevitable rivalries and post-arrangements for mutual advantage. Built on French-German reconciliation, it introduced a concept of partially shared sovereignty for greater achievement.

It was not the first time nations showed they could change. It happened with the conversion of Scandinavia from the rambunctious terror of the north to advocates of peace and welfare, and the establishment of the United States as a federal continental power. But it doesn't happen often.

The great question now is whether the change will spread to include all of Europe, or whether the experiment of insulating an area as the only acceptable choice will fray, leaving the old pattern. The West is not immune to the new dangers in the East.

It is not only a matter of local war spreading, generating torrents of refugees and an economically destructive climate of illegality. Western politics are affected by the rise of nationalism and self-assertive evolution. Democracy can deteriorate.

The focus now is on war in former Yugoslavia, the point of conflagration. But that war is heating passions on a much larger scale and providing proof for revision to old alliances, old divisive attitudes.

The central urgency is Russia. Without its participation, the Russian poison cannot be contained. Country after country will be caught in resentments of emotion and convenience to pull apart the triumph of confederation.

A nasty combination of negative factors is making Russia dangerous, to itself and many others. There is hyperinflation. The social fabric is crumbling. Boris Yeltsin is still in command but he seems to have passed his peak. Crime has escalated beyond the margins to the point of national danger. It is estimated that half the money earned from exports never returns, so pervasive is smuggling and fraud.

Leoluca Orlando, the ex-mayor of Palermo who heads the Italian anti-Mafia party La Rete, says the Sicilians with their billions of dollars have arranged connections with various Russian and other European gangs. Other police forces confirm that there are huge new underground international networks, beyond their reach.

The warning by Prime Minister Viktor Chornomyrdin that Moscow would oppose use of force for foreign intervention against Serbia should be seen as more than the threat of a Security Council veto. It reflects disintegrative forces, almost a search for an excuse to remobilize, crack down, perhaps intervene in other ex-Soviet republics, turn against the humiliating West to reassert pride and power come what may.

Alexei Arbatov, a veteran strategic analyst, may exaggerate when he says intervention against Serbia would mean "tens of thousands of Russian volunteers, including whole units, with anti-aircraft weapons to shoot down American planes." But others note a new determination in the Russian military to make themselves heard.

Intervention is needed, and on a large scale, but it must include the Russians with a clear mission to restore order, not the status quo ante, to punish Serbia. The main trouble with the Vance-Owen plan to parcel out Bosnia is that it doesn't go far enough. It should address the whole Balkan impasse, with provisions to protect Kosovo, Macedonia, Albania.

There have been calls for an early meeting of the Group of Seven industrialized nations, which, as at the last two summits, should invite Russia. Trade and money questions are urgent, and economic and security issues are intertwined. The world needs to see that the responsible powers are prepared to address them together.

Bill Clinton should issue the summons. It is much sooner than he would have liked but later than he may think.

© Flora Lewis

صلى الله عليه وسلم

OPINION

The Most Curious Timing Of an Iraqgate Request

By William Safire

WASHINGTON — Did the Bush Department of Justice — eager to avoid embarrassing Saddam Hussein or his bankers in 1989 — make a conscious effort not to find out what the CIA knew about the huge fraud discovered at the Atlanta branch of the Banca Nazionale del Lavoro?

The staff of the Senate Select Intelligence Committee was suckered by excuses from Justice officials that they were too busy responding to their in-house "investigator" to answer the Senate, precisely why the patsy prosecutor was hired. But its recent Senate report adds useful evidence to the Iraqgate scandal.

"The first Justice Department request to the intelligence community," it says,

v. Maryland, and of Rule 3.8(d) of federal rules of professional conduct, that require the government to disclose any evidence that shows the defendant to be innocent.

One month later, the CIA agreed with the FBI not to show its evidence to the Justice Department, noting that it had "devised ways to protect our information and sources against discovery by the defendant."

CIA lawyers now claim this was "an inartful reference" to anti-grayscale statutes, but a second CIA message in the same month gives the lie to that: "an FBI official had recommended against submission of the report 'noting that every paragraph contains damaging information which is clearly discoverable....' Said the CIA supervisor, quashing the dissemination: 'It's just as well to have fewer reports that are going to wind up in court.'"

The name for this abuse of due process is "contempt of court." FBI officials contend the documented CIA testimony is untrue. If law enforcement and intelligence officials did what the documents suggest they did — willfully withhold exculpatory evidence — then this is a violation of 18 US Code 1512, which provides up to 10 years in the pokey for whoever knowingly misleads to "cause or induce any person to... withhold testimony or withhold a record, document, or information in an official proceeding."

After following the Senate report with the release of the CIA inspector general's report, the departing director of central intelligence, Robert Gates (who wants no aides pointing at him before a grand jury), rejected his inspector general's call for "appropriate disciplinary actions" and forgave everyone because Mr. Gates could see no "willful intent not to be responsive."

In the same mistakes-were-made way, a rearguard in the Justice Department issued an unsigned statement that Justice was "pleased with the results, which note no wrongdoing by departmental personnel." But unresponsive wrongdoing abounds.

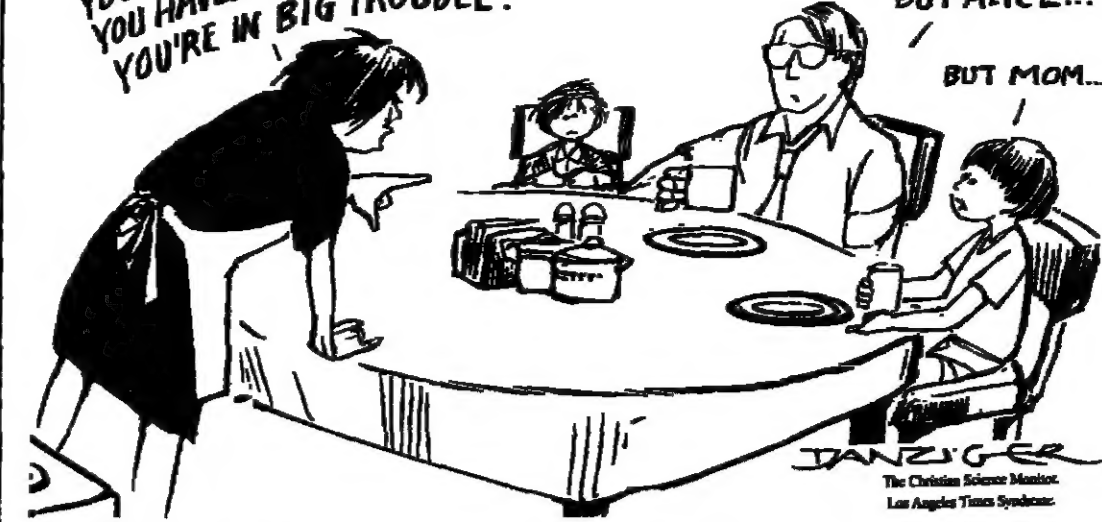
On the evidence in the Senate and inspector general reports, Judge Marvin Shoop of Atlanta should appoint counsel to discover who treated his court with contempt. Congress should pass an independent counsel law promptly. And the new attorney general should seek that prosecutor's appointment before Iraqgate's trail gets cold.

The New York Times.

On Nov. 17, 1989, FBI officials — employees of the Justice Department — cautioned CIA not to give their "Rome knew" information to Justice because it would become "discoverable" in the Atlanta trial. "The defense attorneys may well request CIA files on the BNL affair," the CIA claims FBI officials said, "and claim that CIA had prior knowledge of the financing to Iraq. Especially because the U.S. attorney in Atlanta is a former CIA officer."

This FBI-CIA conspiracy lies in the face of a Supreme Court ruling, Brady v. Maryland, and of Rule 3.8(d) of federal rules of professional conduct, that require the government to disclose any evidence that shows the defendant to be innocent.

I READ THE PAPERS, MISTER!
YOU HAVEN'T PAID MY SOCIAL SECURITY!
YOU HAVEN'T PAID MY TAXES!
YOU'RE IN BIG TROUBLE!



BUT ALICE...
BUT MOM...

TANZIGER
The Christian Science Monitor
Los Angeles Times Syndicate

Hungry, Cold and Brave, In What's Left of Sarajevo

The following are excerpts from a letter written in Sarajevo by Jasna Ihtjarevic, to her sister, Meliha Zrnekovic, a former journalist for Radio Sarajevo, who fled in April with her husband and infant son and took refuge in Amsterdam.

Our Dearest:
Today the most wonderful thing happened to us: We received your letter. I

MEANWHILE

read the letter aloud to Mum and Dad and we all cried. Mum usually forbids me to cry, but I do it anyway. When I think of you, tears just flow.

Meliha, it took some time until we realized that even the worst things in life we can bear. I know we are not together and it hurts, but we are so relieved that you've rescued yourself and our little flower, our Mak. We don't dare to think what could happen to you and your tiny baby if you were

here. People can get out of the city sometimes with the Red Cross, but only if they have a guarantee letter from Croatia or some third country. Don't be upset because you can't get such a letter for us. We'll stay here. We can't leave Dad alone and we know things are tough for you in a foreign country. Meli, please don't worry too much about us. We are alive and healthy and our apartment is still O.K. The worst of all is that there is not enough food, but we manage somehow. Dad brings some stuff sometimes.

We also get some humanitarian aid from time to time. Here, even if there is anything to buy on the black market, you can do it only if you pay Deutsche marks, so we don't have a chance.

There is no electricity for a month now, or even longer than that, who knows anymore. We used to cook in the backyard on an improvised fireplace, but recently Dad has brought that old-fashioned "Queen" stove, our grandmother's, the one she kept for a hundred years, never dreaming someone could use it ever. Now, we make a fire in it in the kitchen and that's how we get warm and cook at the same time. There is no running water, either, so Dad goes every morning to Bistrica to bring some for us and our neighbors.

In Sarajevo, not many things look like you remember them. Some quarters of the city simply don't exist anymore. It won't be possible for you to come back here for some time. We have sent messages to Misha's parents on the radio, but we know that they had to move to some other apartment where they are safer. Misha, your parents' apartment building is on a front line and there is a lot of shooting and bombarding all the time.

It is getting too dark to write. I'm moving closer to the window. There is no glass in the windows and it's cold, but we put up some nylon and a cardboard to make it a bit less freezing.

Everything that is happening these days is not possible to describe. Even if I try to tell you the whole story personally, you probably would find it difficult to believe. One who is not here and does not experience this most cruel school of life just cannot realize that there is not even bread for days. There are people who live for days without even a handful of rice. We manage somehow, but how much longer? If there is a heavy bombardment we go to the cellar, so don't worry.

I beg you, please don't be so sad all the time. We've seen on the photographs how pale and thin you both are. Be brave like we are, take care of yourself and don't ever, ever think that we are mad at you because you're not here. Oh thank God for that! We live for the day when we shall all be together again, to be able to hug you, kiss you, tell you how much we love you.

Your Mum, Dad and sister Jasna.
International Herald Tribune.

LETTERS TO THE EDITOR

The Child-Care Factor

Two successive candidates have run into trouble in their nomination for U.S. attorney general because they hired aliens as nannies. Before we dismiss this phenomenon as evidence of either President Bill Clinton's ineptitude or Congress's overzealous vigilance, it behooves us to look at the underlying condition that these cases reflect: the disgraceful state of child care in the United States.

Every working mother in Paris expects there to be a day-care center and a nursery school within walking distance, and parents in most other developed countries assume they can count on safe and reasonably priced child care. But in the United States, parents play a game of wits for high stakes: the well-being of their children. Especially for younger children, one must choose among an unorganized pool of caregivers outside the home, guided by word-of-mouth recommendations and a somewhat ineffectual licensing system.

Hardly surprising, then, that an increasing number of intelligent and caring parents choose the "au pair" alternative. Young people, lured by the legendary good life of the United States, or simply prompted by an adventurous spirit, provide what is often the best care available. But under the current system they often act illegally, and so do their employees. Why does such a need create jobs for America's many unemployed? Perhaps middle-class, me-generation youth disdain such unglamorous jobs, while poorer ones are trapped in ghettos, often with children of their own.

I have always considered myself a meticulously law-abiding person, but in

this case I have had little hesitation in helping both parties to such illegal transactions, since I feel that neither the law nor the social structure of the United States allows for essential services.

It is lamentable that we should lose able and willing candidates for public office over such an issue, but it is shameful that the conditions that caused their transgressions should persist.

JEANNE PIMENTEL
Paris.

If the Axis Had Won

Regarding "Danger: Russians Abroad" (Opinion, Dec. 21) by Francis Fukuyama:

What Mr. Fukuyama and others are in fact saying is that, had the fortunes of war been different, we should now feel upset about denying voting rights without language tests to millions of Germans whose 50-year occupation of Britain had just ended, or else to millions of Japanese occupiers of America. Can the pundits in the big countries not be made to understand that the Baltics (and, had the war gone differently, the Finns) are not speaking of some national existence of human rights, but of national existence?

TEUVO LEHTI
Gex, France.

Volunteers Can't Do It All

Regarding "If You Want to Help, Volunteer" (Opinion, Dec. 30):

Alan Tonelson's column about Somalia and Bosnia is a depressingly familiar, ethnocentric, head-in-the-sand plea to do nothing.

The entire diatribe is made moot by

his concluding paragraph, to wit: "... If interventionists feel so strongly about a moral obligation to Somalia ... they can join a relief operation and go over there themselves."

That was precisely what scores of people from many countries did. But the near-total anarchy of the situation prevented them, despite heroic efforts, from stopping the starvation. Only armed intervention could solve the problem, and only the United States (joined later by others) had the wherewithal, the courage, and the sense of morality to respond.

Regarding volunteerism: The students at the school where I now teach took the initiative last year to collect food, clothing and money to be sent to Somalia. The response was overwhelming, but one wonders how much of what they provided got beyond the well-fed and well-armed gunmen and to the people who needed it. Today, I am sure, most of it would.

DON C. YAGER
Seeb, Oman.

Today's Problems Today

Regarding "For a Real German-Jewish Dialogue" by Robert B. Goldmann and "However They Say 'New Again,' We Should Applaud" by A. M. Rosenthal (Opinion, Jan. 9):

It is pointless to be looking 60 years backward and not analyzing the present weaknesses of a democratic Germany. The brutal attacks on persons, damage to property and religious institutions must be dealt with as criminal activities, and those involved must be specified and ruthlessly pursued, arrested and tried as common criminals. That is what they

are. The Germany of 1993 is not the Germany of 1933.

ELIZABETH LATHAM
Savico, Switzerland.

Nothing Personal

Regarding "Germany: The Descendants Are Plain Dangerous" (Opinion, Jan. 8) by Michael Peterson:

In his reply Jan. 29 to the letters responding to his article, Mr. Peterson states simply that he had "expected a personal attack and was warned of one." I was unable to detect a "personal attack" in any of the letters.

JOACHIM BAUER
Freiburg, Germany.

No Cause for Alarm

I read the correspondence generated by Michael Peterson's Jan. 8 article on Germany with greater interest than I read the article itself.

I am English and have lived in Germany (Frankfurt and Berlin) for nearly three years. I have experienced occasional irritations, I have come across anti-social behavior at times and, indeed, I have run afoul of the local traffic regulations, as I have done in all the other countries of residence in my 16 years as an expatriate.

If I were to extrapolate these personal inconveniences, as Mr. Peterson has done, into a blanket condemnation of an entire country, it would be a sure sign that I was long overdue for repatriation.

JEREMY B. STEWARDSON
Berlin.

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Spain	Ptas. 45,000	25,000	13,750
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Sweden (mail)	S.Kr. 3,300	1,800	950
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Published With The New York Times and The Washington Post

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London, March 25-26, 1993

A major international conference co-sponsored by the International Herald Tribune and the International Chamber of Commerce.

MARCH 25	MARCH 26
09.00 KEYNOTE ADDRESS The Rt. Hon. Lord Young of Grafton, Executive Chairman, Cable & Wireless plc	09.00 KEYNOTE ADDRESS Helmuth Riesenhuber, Former Minister of Research & Technology, Germany
09.45 THE PEACE DIVIDEND - IMPLICATIONS FOR R&D Françoise Haldebourg, Senior Vice President, Strategic Development, Matra Defense & Espace, Paris Philip Chaney, Vice President, Engineering, Raytheon Co, Lexington, MA	09.30 INVESTING IN R&D: ESTABLISHING CRITERIA FOR PUBLIC & PRIVATE SECTORS Moderator: Michael Osborne, Head, Science & Technology Policy Division, OECD, Paris Jürgen Drews, President, International R&D, and Member of the Executive Committee, Roche Group, Nutley, N.J. Edward Leigh, Parliamentary Under Secretary of State for Technology, U.K. John Nelson, Vice Chairman, Lazard Brothers, London Robb Wilmut, Chairman, OASIS Group plc
10.45 Coffee	11.10 Coffee
11.15 GENERATING PROFITS FROM NEW TECHNOLOGIES Moderator: Michael D. Uva, Executive Director & Head of the European Technology Group, Morgan Stanley International, London Reto Braun, President and Chief Operating Officer, Unisys Corp, Blue Bell, P.A. Françoise L'Epitastier, Member of the Executive Committee, Ciba-Geigy A.G. Blaise Davis, Vice President, Corporate Strategy & Development, AT&T, Basking Ridge, N.J.	11.30 THE CONTROVERSIAL ROLE OF SUBSIDIES A Corporate View: Jorma Ollila, President & Chief Executive Officer, Nokia Corp., Helsinki A Commissioner View: Jean Maljo Cruzada, Deputy Director General, Information Technologies and Industries, and Telecommunications, E.C., Brussels
12.45 Lunch - hosted by Unisys, Europe & Africa Division	12.30 TECHNOLOGY TRANSFER & INTELLECTUAL PROPERTY RIGHTS Moderator: Richard Bates, Director, ICC UK Martin Fransman, Director, Institute for Japanese-European Technology Studies, University of Edinburgh Ian A. Harvey, Chief Executive, British Technology Group Boris Saltykov, Minister of Science and Technology, Russia Guy de Selliers, Deputy Head, Merchant Banking, European Bank for Reconstruction and Development, London
14.45 HARNESSING BRAIN POWER: THE ROLE OF BASIC RESEARCH Moderator: Axel Krause, Corporate Editor, International Herald Tribune Pravsen Chaudhuri, Research Scientist, IBM Research Division, Yorktown Heights, N.Y. Ulrich Seifert, Member of the Board, R&D, Volkswagen A.G.	13.30 Lunch OUTLOOK FOR HIGH TECHNOLOGY - A PERSONAL VIEW Wisse Dekker, Chairman of the Supervisory Board, Philips Electronics N.V.
15.45 Tea	15.30 CLOSING REMARKS Jean-Charles Roubier, Secretary General, International Chamber of Commerce, Paris
18.00 Cocktails	

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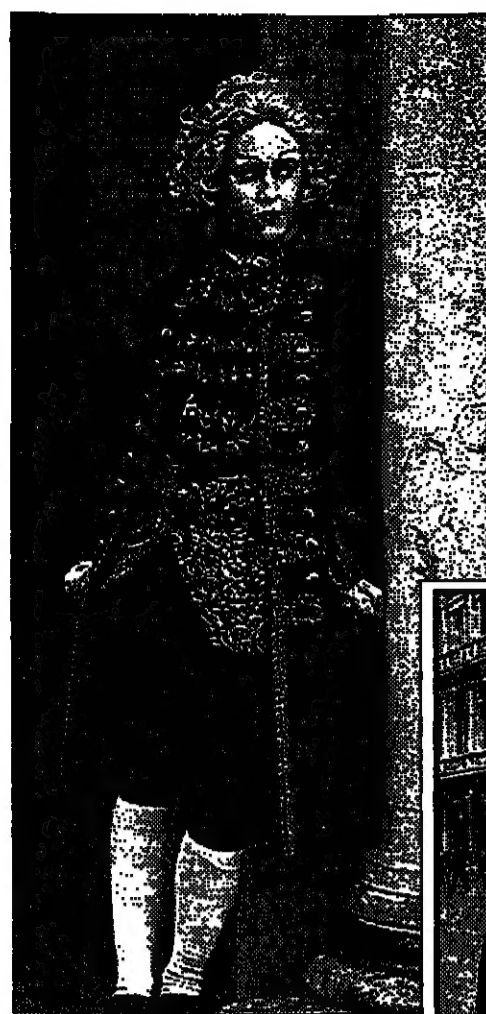
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The masks will be back all over Venice as carnival opens Friday. Bottom left, one of Viareggio's daring satirical floats.

Venice Carnival: The People Take It Back

By Roderick Conway Morris

VENICE—Capricious, extravagant frivolity became Venice's hallmark during the 18th century. "There's nothing in the world worse than being bored," as one Venetian lady of leisure once remarked. "I'd rather be miserable than bored"—and the carnival season went on for six months of the year.

Carlo Goldoni, native-born dramatist and muse to this pleasure-addicted society, died 200 years ago this month and his Venice is the theme of this year's carnival, which starts Friday and runs until Feb. 23.

Goldoni was almost appallingly prolific, producing well over 100 comedies and as many other dramatic works. In the autumn and winter of 1749-50, he wrote 16 full-length plays. Unsurprisingly, he suffered a mild nervous breakdown as a result. Until then Italian non-musical drama was locked into the medieval traditions of commedia dell'arte, with stock characters and semi-improvised speech. Goldoni more or less invented naturalistic soap opera overnight, putting the audience itself on the stage—fables, ambitions, pretensions, absurdities and all. His realism extended to language—many of his best plays being in Venetian dialect rather than Italian—and Venetians

flocked to spend an evening enjoying the gripping and endlessly entertaining spectacle of their own everyday lives.

Venice's exaggeratedly long carnival was inseparably bound up with the theater season, which used to last from the beginning of October to the beginning of Lent. During this time the government allowed the wearing of masks in public, and indeed insisted that the upper classes wear them when attending the theater—regularly, and ineffectually, threatening to punish those who appeared unmasked, especially noblemen. Day or night, half the rest of the population went out masked—even to go around the corner to buy a bag of beans.

While Goldoni was busy selling audiences realism in the theater, fancy dress on the streets became ever more elaborate, with locals and visitors dressed as gods, satyrs, Turks, Red Indians, quack doctors, ranting lawyers and even archetypal murderers and syphilis.

The 18th-century Venetian Republic promoted carnival with the energy and determination of a modern tourist board, in order to woo foreigners to spend time and money in Venice during the winter. They attracted, in a good year, 30,000 visitors to a city with a population of around 140,000.

The resurgence of Venice's carnival occurred in 1979, on the fishing island of Bur-

ano. The result of a kind of spontaneous combustion, the festivities spread in the following year to Venice itself, and there are many happy memories of the unpredictable early years, before the municipality increasingly took over the show, leaving many Venetians feeling like bit-part actors.

The Gulf War pretty well did the event in. The municipality expatriated its frankly yawning plans for illuminated water-jets (as though Venice was in the middle of the desert), lasers and holograms, concerts by Dionne Warwick and Juliette Gréco (both, it turned out, otherwise engaged), and announced instead an official "peace rally" from which the Venetians stayed away in droves.

At the same time, in a bizarre twist to the historic masks issue, on the authority of a long-forgotten law banning masks that Mussolini had passed in 1931, it was declared that costumes were to be allowed but masks forbidden, as an anti-terrorist precaution. This, according to the Venetian hotel association, was the last straw for would-be revelers, many of whom promptly canceled their reservations.

Last year, general depression and lack of public funds gave the carnival a whole new lease on life. The megalomaniac projects dear to the Fun Functionaries were unrealistic, and while administrators stood around

wringing their hands, the people took to the streets, and Venice regained a genuinely festive air. Multiple smaller-scale stage and musical shows, some Venetian and some from out of town, blossomed all over the city—theaters, churches, squares, under colonnades and in cafés. Children in costume were everywhere, and often hilariously costumed adults appeared on boats, in bars and restaurants, or loomed out of the mist at night.

With still-modest municipal funds and some helpful (and, as yet, not too oppressive) commercial sponsorship of various events, this accidentally-arrived-at formula is being repeated. In addition, there will be plenty of 18th-century music and, inevitably, dozens of productions of Goldoni—including what promises to be an ebullient musical version of "Il Campiello" (The Little Square), scored and played by Venice's irrepressible Venetian-dialect reggae band, Pituca Fredda.

With the abandonment of control management, and a revived emphasis on things closer to the city's history and heart, Venice is showing serious signs of becoming a haven once again of harmless levity in a deadly-serious world.

Roderick Conway Morris lives in Italy and writes for The New York Times and The Spectator.

In Tuscany, the Floats are the Wickedest of All

By Ken Shulman

VIAREGGIO, Italy—Reading the walls of this hangar is a bit like revisiting the ghost of Viareggio's Carnival past. High above the four workmen who scurry to finish painting this year's float in time for the inaugural parade, the papier-mâché masks of Ronald Reagan, Leonid Brezhnev, Jimmy Carter, Michel Platini, Diego Maradona, and a slew of Italian politicians grin or smirk or sneer from their sideline perches.

"I've saved them for a museum," says Arnaldo Galli, the most famous of Viareggio's float builders. "If they ever decide to build one. And they should, because this is art."

Exactly 120 years old this February, the Viareggio Carnevale is one of Italy's most popular and certainly its most brazen Mardi Gras celebration. It began in 1873 as a quaint procession for the enjoyment of nobles in this once chic and now decadent Tuscan seaside resort, and gradually became a kilometer-long parade and, more important, an arena for local artists and artisans to give vent to their wildest political satires.

A painter and sculptor who has prepared scenery for three Fellini films, Galli built his first papier-mâché Carnevale float in 1938. That float never made it to any of Viareggio's four Carnevale parades.

"I was quite naive," recalls the 67-year-old artist. "I'd been to the cinema and seen the Marx brothers' 'Day At The Races.' And without thinking about it, I built a float with

the Marx brothers hanging onto a horse as it charged through a giant horseshoe. Two days after I'd finished it, a Fascist agent showed up in a black leather trench coat and threatened to send both me and my parents to jail unless I burned it."

Several months passed before Galli understood the reason his float had had to be destroyed: He had depicted Jews in a positive way, which in an Italy allied with Nazi Germany was emphatically not permitted. "I think I was one of the first instances of racial censorship here in Italy," he says.

THE Viareggio Carnevale is still capable of provoking anger and even censorship among the country's ruling class. Roberto Alessandrini's 1992 float, featuring former Prime Minister Bettino Craxi as a crocodile and former Italian President Francesco Cossiga as a phallic serpent wrapped around Craxi's loins, was withdrawn after a protest by the Quirinale, the president's official residence.

"Actually, I was flattered that they thought enough of my float to ask that it be removed," says Alessandrini, 34, who has prepared floats for the New Orleans Mardi Gras parade. "It means that I hit the mark."

Galli, Alessandrini and the other seven builders who belong to the first-class category of the Viareggio Carnevale begin preparations for the festival as early as September. Each of them receives a grant of 100 million lire (\$67,000) from the Carnevale Foundation; the funds come from the sale of lottery tickets, along with a small contribution from the town.

"With four or five salaried workers and the materials, we rarely even meet our costs," says Galli. This year's creation is a 20-meter-high volcano that spews out Italy's corrupt politicians and crumbles to reveal Judge Antonio Di Pietro, the chief investigative officer in the current Milan payoff scandal. The float is entitled "Terremoto" or "Earthquake." Galli hopes that it will win him his 20th Viareggio Carnevale prize.

This year, with Cossiga having resigned from the presidency and Craxi facing indictment on bribery charges, the prime target of satire is Umberto Bossi, the leader of Italy's secessionist Lega Nord, or Northern League.

"It's not intended as an offense to the president," says Alessandrini, whose float also includes a caricature of Prime Minister Giuliano Amato dressed as a casino card dealer. "This is just an expression of Bossi's character, because he is a very vulgar person. But if I have to go to jail, then so be it, even though nobody goes to jail in Italy these days. Maybe I'll be lucky enough to have Craxi as a roommate."

Viareggio is about an hour's drive from Florence and less than half an hour from Pisa. Upcoming Carnevale parades are on Feb. 14, 21 and 23. Leaving from the Hotel Royal, they proceed along the lungomare, or sea boulevard, to the Piazza Mazzini, then to the docks, before returning to the Hotel Royal. Tickets cost 15,000 lire (about \$10) and can be bought at any of the gates to the parade ground.

Ken Shulman is an American writer based in Italy.

Galli has five Bossi look-alikes dressed as knights perched atop his volcano.

LESSANDRINI'S "Fai Da Te," or "Do It Yourself," features a 15-meter effigy of Bossi. In his right hand, the senator clasp a hand-saw with which he has sliced the Italian peninsula into five pieces. Behind him, dressed as Pinocchio's father Geppetto, the current Italian president, Oscar Scalfaro, tries desperately to nail the nation back together. Bossi's left hand is held forward, with the middle finger extended—in that most familiar of gestures.

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Hippest Digs in N.Y.: Still a Chelsea Morning

From Dylan Thomas to Sid Vicious

By Jean Nathan
New York Times Service

NEW YORK — It was a Chelsea morning. In the lobby of the 110-year-old Chelsea Hotel, delivery boys bearing take-out coffee tangles with art handlers carrying paintings to a truck parked outside. A woman sat making up her face surrounded by a dusty exhibition of residents' art work, acquired in some cases in exchange for rent. The son of Stanley Bard, the hotel's proprietor, was trying to find a pet store to take the seven progeny of a guest's rabbit. The mail was just in; the switchboard was already jammed.

The Chelsea has always been a sort of Tower of Babel of creativity and bad behavior. Some of the world's most gifted and most destructive minds have called 222 West 23d Street home.

"The Chelsea was not part of America, had no vacuum cleaners, no rules, no taste, no shame," Arthur Miller, who lived here for seven years, once said. "It was a ceaseless party."

And a long-lasting one. Dylan Thomas was sliding into alcoholic self-destruction long before the night in the mid-1960s when Edie Sedgwick set the place on fire in a drug-out haze or the night the Sex Pistols' Sid Vicious stabbed his girlfriend Nancy Spungen to death in 1978.

The Chelsea's continuum molds era into era, as Pete Hamill, who lived there for two years, described it in an essay: radicals in the 1930s, British sailors in the '40s, Beats in the '50s, hippies in the '60s, decadent poseurs in the '70s. Hamill's time leaves off then, and so, some might have thought, would the Chelsea's. In a city not known for the length of its attention span, the worn red-brick 12-story structure wrapped in lacy ironwork balconies has somehow endured. Subtly resistant to change, the Chelsea is—still—hip.

Teenagers still flock to the front desk to request a visit to the Vicious room. It somehow makes sense that Madonna chose the Chelsea as a photo-shoot locale for her recent book "Sex" and that Woody Allen would shoot part of his next film, a "contemporary comedy/mystery," here.

Today, the tenant list includes a recent influx of well-recognized contemporary artists—like Julian Schnabel, Philip Taaffe, Peter Schuyff and James Brown, among others—all of whom could doubtless afford better. But nowhere could they find such a rich "karma circuit," as it is described by Raymond Foye, who for a dozen years has had his Hannuman Books publishing office here and who recently took an apartment across the hall.

When the Chelsea Hotel was built in 1883, it was, at 12 stories, the tallest building in Manhattan. It was conceived as the city's first major cooperative apartment house, owned by a consortium of 10 wealthy families. By 1903, the Chelsea was bankrupt. In 1905, it was reopened as a hotel, the original apartments broken up in the oddest of divisions, so that now no two units are alike.

By 1939, the hotel, in bankruptcy again, was bought by David Bard, Stanley's father. In 1957, Stanley Bard took over, and for the last 35 years he has proudly, carefully peopled his own peculiar ark, guided by his own inexplicable and eccentric methodology: there's always room at the inn if he likes you.

Though Stanley Bard lives in Englewood, New Jersey, running the Chelsea has been his life; his stated mission is "to provide a place for art and the artists." But at 58, he is winding down. "I want to play my tennis," he

said. "I want David to run and operate it now."

David, 27, his son, is more concerned with business. "David has set out on a path to make the place as much for tourists as other hotels," Stanley Bard said. "We get the artist and the writer. David wants us to get the dealer and the publisher."

Two years ago, David Bard embarked on a program to upgrade and renovate, although no one but the Bards seems to have really noticed. The front desk now has a fax machine and cable television has been put in. David Bard has been given 25 apartments to make into conventional hotel rooms and suites. On any given day, 15 percent of the hotel's 400 rooms are occupied by transient guests, paying a nightly rate from \$85 to \$250. (Monthly rents range from \$900 to \$3,000.) The Bards say that they have been repeatedly courted by various hotel corporations but that they have no plans to sell the Chelsea.

Although the staff is exceedingly cooperative, services are scanty by most normal hotel standards. There's no room service, but the quaint 63-year-old restaurant El Quijote downstairs has been known to send up an order of margaritas. There's even a house dentist, Peter Ferro, whose office was once Arthur Miller's apartment.

"I present my palace," said Amelia Thierree, 21, the granddaughter of Charlie Chaplin and the great-granddaughter of Eugene O'Neill, himself a past tenant.

She threw open the door to her tiny room, wallpapered with scraps of fabric and gaudy Christmas lights. A toaster and a hot pot are bookends to a row of her great-grandfather's collected plays set out on a broken-down desk. Thierree first came to the Chelsea on her 18th birthday—a ticket to New York City being the present. She planned to stay for two days, but checked out two months later. "It was the first place I ever felt at home," she said. Thierree grew up all over Europe in her parents' traveling circus.

NOW, FOUR years later, she is ending her sixth visit here. "I love this place, and all its contradictions," she said. "It reminds me of Naples. Only there do you find the same chaos and extremes."

Philip Taaffe has just forsaken Naples for the Chelsea. It was five years ago that the painter moved there from Manhattan, but when he decided last year to return home, he was downcast at the thought of trading his 17th-century villa with its view of the Bay of Naples for a New York apartment. A friend called him in Naples the minute she heard that Virgil Thomson, the composer, who had lived and worked at the Chelsea since 1939, had died.

Suzanne Bartsch, the pianist who hosted, came to the Chelsea for a Valentine's Day tryst in 1981—and never left. When that relationship ended, her then-boyfriend bequeathed her his apartment. Bard approved, but the former boyfriend's current lover did not. Bartsch came home one night to find the toilet, every closet, every drawer glued shut.

"It was kind of a major artwork," she remembered. "But I just unglued the joint and moved in."

Even unglued, her place is still "kind of a major artwork": cotton candy boudoir in the living room; the red-on-red bedroom's centerpiece, a four-poster Chinese opium bed; wigs and feather boas spilling out of closets, and an entrance hall of paintings of giant drug queens (to exit one walks through the legs of one).

She added: "I love the Chelsea, as mad as it is."

THE MOVIE GUIDE



Cathy Moriarty, acting in the movie-within-the-movie in "Matinee."

Matinee
Directed by Joe Dante.
U.S.

Here is an expert parody of a 1960s horror film about a mishap involving man, ant and X-rays at a dentist's office. The man is accidentally transformed into a large, insect mutant. His wife (Cathy Moriarty) pleads: "Oh, Bill! If you could just listen to the man in you and put the insect aside!" Kevin McCarthy, star of "Invasion of the Body Snatchers" and one of this film's many reminders of horror classics, turns up with a megaphone to shout: "Come down off that building! We've got sugar for you!" It's clear that "Matinee" is a labor of love on the part of the director Joe Dante, who has his own horror credits ("Piranha," "The Howling," the "Gremlins" films) and an obvious taste for mischief. (Dante collaborated with the screenwriter Charlie Haas, who wrote Dante's

sly, underappreciated "Gremlins 2: The New Batch.") It is a perfect evocation of this era's absurdly solemn, pseudoscientific horror style and a wonderfully nostalgic treat. But eventually, it becomes much too cluttered with minor characters and an overload of bomb-and-horror-film parallels. And the film, like one of the quaint movie monsters it so admires, feels like something small that has been magnified a hundredfold, rather than a legitimately large-scale creation. In the end, the spectacle of nuclear war is simply too much for this sunny teen-oriented comedy, particularly when it leads to a make-out session in a bomb shelter and a silly supermarket riot over hoarding shredded wheat.

(Janet Maslin, NYT)

Les Visiteurs
Directed by Jean-Marie Poiré. France.

These bewitched visitors from the Middle Ages—a chevalier and his valet—ejected from their castle, land in the middle of today's tarnished nobility. Jean Reno is perfectly dignified as the displaced Sir, who persists in speaking what sounds like antique French laced with pig-Latin. Christian Clavier (who co-wrote the script) plays the valet, as well as his own tacky descendant, manager of the castle that is now open for business as a hotel. Best of all is Valérie Lemercier, ferociously funny as both la belle dame sans merci and an updated provincial princess. Point, an old hand with burlesque, brings fine moments to this space odyssey, a kind of reverse-gear Concorde Yankee in King Arthur's Court. It may not be Mark Twain, or Jacques Tati for that matter, but his ragged style is tragically vulgar in the best sense.

(Joan Dupont, IHT)

in N.Y.:
a Morning
to Sid Vicious

LEISURE

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THE ARTS GUIDE



"President Elect" by James Rosenquist and "Telephone" by Andy Warhol in Los Angeles; Silver real of Philip IV of Spain at the British Museum in London.



BRITAIN

Cambridge
The Fitzwilliam Museum (tel: 332.900). To March 21: "Hiroshige: 36 Views of Fuji." A complete set of Hiroshige's last print series first printed and published shortly after the artist's death in 1858. To March 28: "Battle of the Marston: The War Generation 1914-1918." Drawings and watercolors by official war artists such as Muriel Bone, John Singer Sargent and Henry Tonks.

London
Accademia Italiana delle Arti e delle Arti Applicate (tel: 225.3474). To March 14: "Prenotazioni: 1865-1892." Tissue paper drawings on a grand scale by the Argentinian-born artist Ricardo Canali.

Design Museum (tel: 403.6933). To Feb. 28: "The World in the Same Bottle: Scandinavian Design in Britain, 1930-70." Organized in conjunction with the Barbican, as part of the Scandinavian Festival "Tender is the Night," it explores the design traditions of Denmark, Finland, Norway and Sweden, and includes artists such as Arne Jacobsen and Hans Wegner.

Hayward Gallery (tel: 328.3144). To March 14: "Gravity and Grace: The Changing Condition of Sculpture 1965-1975." The early works of 20 artists who had enormous impact as the British Joseph Beuys, Mario Merz and Bruce Nauman, among others.

Royal Academy of Arts (tel: 438.7438). To April 11: "The Great Age of British Watercolours 1750-1850." Traces the changing role of landscape painting and artists' perception of the natural world over the span of a century.

Berlin
Neue Nationalgalerie (tel: 71.111). To Feb. 28: "Picasso: Die Zeit Nach Guernica." More than 100 paintings and drawings by the Spanish artist after "Guernica."

Düsseldorf
Kunstmuseum (tel: 869.2473). To April 18: "Gert Heinrich Wollheim: 1894-1974." A retrospective of the 20th-century German artist's work.

Munich
Kunststiftung der Hypo-Kulturstiftung (tel: 224.412). To Feb. 28: "Frederick the Great: Collector and Patron." Featuring paintings by Rubens, Rembrandt and Watteau, and various objects from Frederick's years at Sanssouci, his Potsdam palace.

Wien am Rhein
Vitra Design Museum (tel: 702.200). To March 28: "Miniature." A series of miniatures that illustrate furniture design over the past few decades.

Indonesia
Jakarta
World Trade Center (tel: 521.1125). To Feb. 28: "Paksa." Indonesian sculptures spanning 10 centuries, including classical and tribal works from Java, Timor, Kalimantan, North Sumatra and Irian Jaya.

Israel
Tel Aviv
Museum of the Jewish Diaspora (tel: 648.020). To May 4: "In the Footsteps of Maimonides." In commemoration of the 800th anniversary of the Jewish philosopher, the lives of three families are traced in their flight from Portugal to Europe. Includes videos, film strips, music and art.

Italy
Turin
Castello di Rivoli (tel: 858.7255). To April 25: "Primo e Secondo." A survey of Turin's role in contemporary culture and art between 1950 and 1970.

Japan
Kobe
Hyogo Prefectural Museum of Modern Art (tel: 801.1591). To March 21: "Monet and his Contemporaries from the Museum of Fine Arts, Boston." Featuring 25 masterpieces by Monet, along with more than 35 works by contemporaries, including Degas, Renoir, Cézanne and Gauguin.

Paris
Centre Georges Pompidou (tel: 44.78.12.33). To April 4: "Daniel Dezaute: 'La Vie Amoureuse des Plantes.'" Drawings of plants by the founder of the Supports/Surfaces group.

Institut du Monde Arabe (tel: 40.51.38.38). To May 18: "Art Islamique au Mécénat: Trésors du Koweït." More than 150 objects representing Islamic art forms: calligraphy, miniatures, ceramics, carpets, glassware.

Institut Néerlandais (tel: 47.05.85.99). To March 7: "Epreuve d'Artiste." A display of contemporary sculptures ranging in style from minimalist and conceptual works to art power from the Kroller-Müller Museum.

Musee d'Art Moderne (tel: 47.23.61.27). To March 14: "Expressionnisme en Allemagne: 1905-1914." More than 400 paintings, wood engravings, acrylics, drawings and sculptures by German expressionist artists. Included are works by Kandinsky, Kirchner, Klee and Mueller.

Musee du Louvre (tel: 40.20.50.50). To March 28: "Les Noces de Carole Veronese." A survey of the restoration of the painting "Marriage at Cana."

Musee du Luxembourg (tel: 42.34.25.95). To March 7: "Bijoux des Rois de France: 1700-1900." More than 400 pieces of jewelry made in the traditional art of the "Golden Age of Jewelry."

Musee Picasso (tel: 42.71.25.21). To March 1: "Corps Crucifiés." A survey of 30 of Picasso's works, executed between 1892 and 1899.

Pavillon des Arts (tel: 42.33.82.50). To May 9: "Apollinaire Critique d'Art." Guillaume Apollinaire, a close friend of Braque and Picasso, was a well known critic of the arts. Included are more than 120 paintings, drawings and sculptures along with documented works from the poet's private library.

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Japanese Toys Related to the Performing Arts. Featuring more than 150 dolls, kites and cards ornamented with pictures of famous Kabuki actors.

Tokyo
The Museum (tel: 34.77.32.69). To March 28: "Takichisa Yumel, Romantic Paintings." More than 200 watercolors and paintings representing landscapes, women and children by the romantic artist from the Tashiro era.

Netherlands
Amsterdam
Museum het Rembrandt-huis (tel: 24.94.86). To Feb. 28: "Episcopus." Seventy drawings and etchings by Jan de Bisschop. Includes landscapes and figure studies along with copies of paintings and drawings by the artist's contemporaries.

Rijksmuseum Stadhouderskade (tel: 673.2121). To March 28: "The Big Archive." Installations that depict the psychology of the Soviet citizen in daily existence.

Groningen
Groninger Museum (tel: 183.343). To April 25: "Mirror of the East Asian Art from the Rijksmuseum Amsterdam." Artwork from China, Japan, India, Indonesia and Nepal. Pieces were executed between the 2d and 17th centuries.

Washington
Hirshhorn Museum (tel: 357.3225). To May 9: "Susan Rothberg: Paintings and Drawings." Eighty paintings and drawings include simple depictions of horses, abstracted heads and animal forms and a wide range of portraits.

National Gallery of Art (tel: 737.4215). To April 11: "Watson and the Shrike: John Singleton Copley." A survey of the elements of art, history and biography that are united in this work by the American colonial painter.

RUSSIA

St. Petersburg
The State Hermitage Museum (tel: 812.212.9545). To April 11: "The George Ortiz Collection." Some 280 masterpieces spanning 30 centuries from the Neolithic age to the late Byzantine period.

UNITED STATES

Atlanta
High Museum of Art (tel: 577.6940). To April 25: "Jacopo Bassano." More than 60 paintings and drawings by the Venetian Renaissance Master.

Fort Worth
Kimbell Art Museum (tel: 332.8451). To April 25: "Jacopo Bassano." More than 60 paintings and drawings by the Venetian Renaissance Master.

Museum of Fine Arts (tel: 526.1361). To April 18: "The Ancient Americas: Art from Sacred Landscapes." The most wide-ranging exhibition of pre-Columbian art ever held in the United States.

Los Angeles
The Museum of Contemporary Art (tel: 621.2766). To March 7: "Hand-Painted Pop: American Art in Transition, 1955-62." Examines the period between the New York School and pop art.

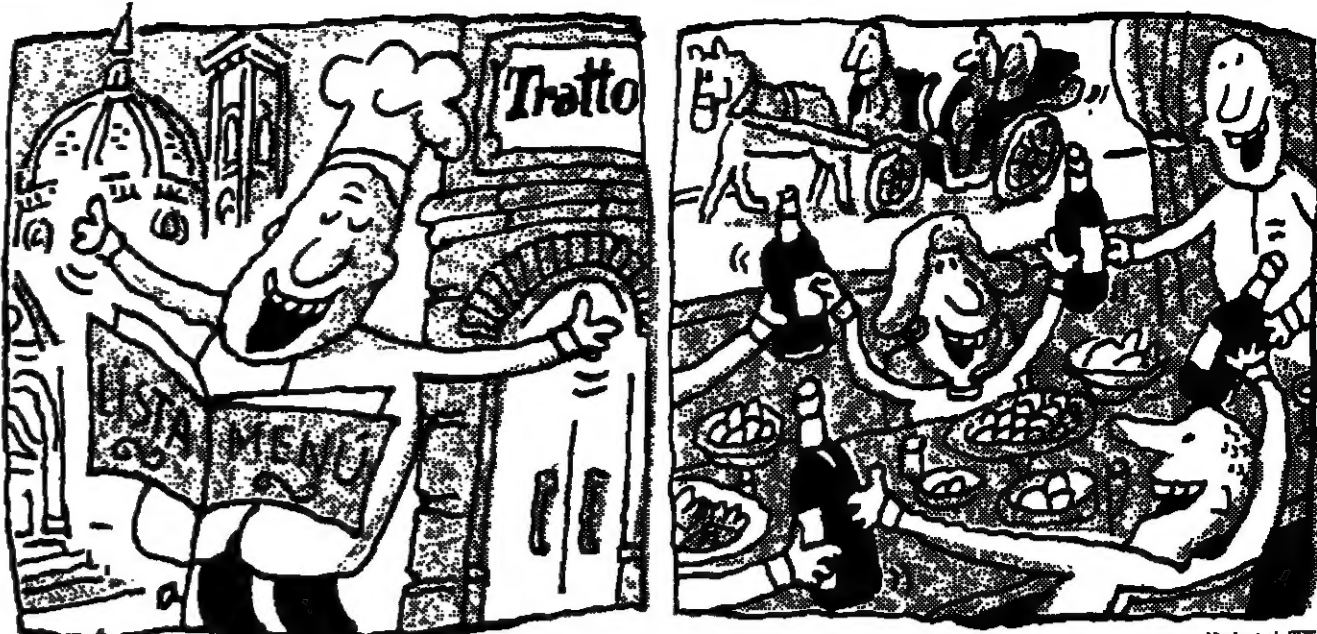
Malibu
The J. Paul Getty Museum (tel: 459.7611). To Feb. 28: "18th- and 17th-Century Italian Drawings." Drawings of the High Renaissance, Mannerist and Baroque periods of Italian art, with works by Raphael, Giorgio Vasari, Guercino and Alessandro Algardi.

New York
Cooper-Hewitt Museum (tel: 860.6868, closed Mondays). To March 7: "The Power of Maps." More than 400 historic and contemporary maps dating from 1500 B.C. to the present.

International Center of Photography (tel: 860.1783). To March 28: "Divine Inspiration: From Benin to Bahia, Photographs by Phyllis Galembo." A survey of cultural and religious traditions in Nigeria and Brazil.

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Florence's Wonderful 'Poor' Food

By Patricia Wells
International Herald Tribune

FLORENCE — Mardi Gras is just days away, and in case you forgot to glance at your calendar, all you need to do is walk down the streets of this festive city and all the symbols are there. Stone piazzas are covered with a healthy sprinkling of colorful streamers and pastel confetti, while bread and pastry shops advertise in bold, hand-lettered signs "Schiacciata alla Fiorentina," the flat, golden carnival cake topped with a thick dusting of confectioners' sugar that looks as fresh, and as inviting, as newly fallen snow.

Merchants are, in fact, looking forward to spring and the potential arrival of eager customers, after suffering what one small business owner described as "the worst winter ever." Streets are, in truth, eerily quiet and pleasantly void of the usual hordes.

With feasting over on the mind, we turned our attention to tracking down newly found trattorias, and were gratefully steered to the six-year-old Trattoria La Baronda, on the city's restaurant-rich Via Chigellina, not far from Santa Croce.

No regional group of Italians is more chauvinistic than the Tuscans, and they do have grounds to be proud. One of their more enthusiastic gastronomic boosters is Duccio Magni, who with his wife Elena Martelli runs the cherry, bustling La Baronda, a spot filled with chic, well-heeled Tuscans who

share Magni's affection for the unadorned local fare.

With a harmonious operatic voice and a thoroughly infectious enthusiasm for his work, the restaurant's chef, the daily menu offerings, reaching highs and lows as he verbally weaves from antipasti to primi, on to secondi, only to finish with fittingly sweet tones for the dolci, which includes a fine rendition of the local schiacciata.

"Poor, simple, but healthy," is the way he likes to describe Tuscan cuisine, and that's just what you'll find in La Baronda's signature risotto, the flat, golden carnival cake topped with a thick dusting of confectioners' sugar that looks as fresh, and as inviting, as newly fallen snow.

Palates seeking sturdier flavors will lean toward the homemade tagliatelle tossed with a fresh tomato sauce and thick slices of fresh artichoke, or the stunning panacea of veal, rolled, roasted, and served with white Tuscan beans tossed in olive oil.

The trattoria, bearing the unbeatable Italian flair for simplicity and harmony, is decorated with bold white tile walls, colorful tile floors, and a collection of oil paintings that add the right patina, all set off by the sounds of long tables of diners having a very happy time.

Among other newfound Tuscan treasures is the Osteria da Gennaro, also on plain, no-fuss, and state-of-the-art as eatery goes. With its white tile walls, long marble-top tables for sitting elbow-to-elbow with fellow diners, and single waiter service there to take your order or hand you extra baskets of crusty Tuscan bread, Gennaro is a popular Santa

Croce hangout for artists, soccer stars and tourists.

STARTERS are no-nonsense. A bowl full of oversized and meaty green olives and a hefty wedge of delicious mortadella — set right on the rough butcher's paper covering the table — arrive with the brief, single sheet menu.

All the Tuscan standbys can be found, including zuppa di farro, a thick wheatberry soup, and pappa al pomodoro, a filling, colorful porridge made of local bread and tomatoes.

Order the golden, fresh tagliatelle tossed with sweet butter and chunks of fresh asparagus, or the petto di pollo alla crema di timo, thick chicken breasts smothered in a creamy lemon sauce.

Their carciofi fritti, deep fried artichokes, are crisp and irresistible. Salad lovers will enjoy the blend of peppery arugula, sliced raw artichokes, and shavings of parmesan there for you to dress with vinegar and their house olive oil, which unfortunately is far from top quality.

The brief wine list includes some treasures, such as the Castello di Cacciano riserva, one of Tuscany's better reds.

Trattoria La Baronda, 67r Via Chigellina, Tel: (055) 23.41.171. Closed Sunday and Monday. Credit cards: American Express, Visa. About 50,000 lire per person, not including wine.

Osteria da Gennaro, 4r Piazza dei Cleonatori (near Piazza Signoria), Tel: (055) 21.41.23. Closed Sunday. Credit cards: American Express, Visa. About 40,000 lire per person, not including wine.

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Day 5	LAKE NAURU Lodge
Day 6	MASAI BARAB (Native Masai)
Day 7	NAIROBI - Jacaranda Hotel (Forward dinner and departure for 7 day package)
Day 8	MOMBASA - Fly or take the all night Express Train
Day 9	LANAI ISLAND - Repeat Hotel
Day 10	MAUNDI - Watamu Beach Hotel
Day 11	MOMBASA ISLAND - Fly or take the Express Train
Day 12	TANZANIA for 21 or 28 day packages
Day 13	(NAIROBI - Forward Dinner for 14 day package)
Day 14	NGORONGORO CRATER (Departure for 14 day package)
Day 15	SERENGETI in Arusha, Kilim Hotel
Day 16	MAMANGA - Arusha Safari Lodge
Day 17	MASAI ANGIOU Game Reserve - Mombasa Lodge
Day 18	NAIROBI National Park
Day 19	NAIROBI CITY and vicinity
Day 20	SEYCHELLES ISLAND for the 28 day package
Day 21	Forward dinner for 21 day package
Day 22	Departure for 21 day package
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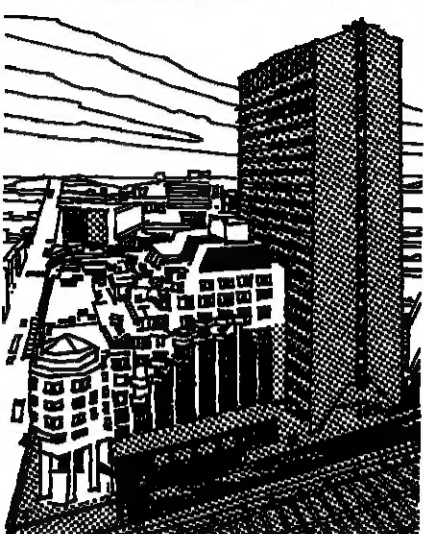
Dear Shareholders,

Lonrho's recent Rights Issue was targeted to raise a guaranteed £85 million of direct investment into your Company. The Rights Issue, at 85 pence a share, was 13 pence above the market price.

Through the Rights Issue your Board has been able to secure a new Joint Chief Executive who could not be better qualified to take Lonrho into a new era of growth. We all welcome Mr Dieter Bock to the Board, both as an outstanding businessman in his private companies and now as a substantial investor in Lonrho.

Three further appointments to the Board have been made from within the Lonrho Group of 700 companies.

John Hewlett is in charge of new agricultural developments, other than sugar, and intends to take Lonrho's experience of large-scale commercial ventures also into Eastern Europe.



The London Metropole Hotel.

Sam Jonah has been responsible for the renaissance of the world-famous Ashanti gold mines, which in the next two and a half years will exceed the million ounces per year mark. Nicholas Morrell directs Lonrho's printing and publishing operations and is responsible for the Company's trading activities with Nigeria.

The Rights Issue, together with the disposal of V-A-G (United Kingdom), has enabled the Group to reduce borrowings by a further £236 million and gearing is down from the 70% reported in 1991 to 42%.

The past year has been the most difficult in your Company's financial history.

Lonrho's plans for the future are well laid

The Rights Issue raised £86 million

R W Rowland, Joint Chief Executive



Southampton Princess - Bermuda.

Shareholders, especially long-term holders, will have been sorry to see Lonrho drop out of the 'FOOTSE' London Stock Market Index during the year, but I expect we will be in a position to return before long.

While taking up the many excellent opportunities which we have in Europe, Lonrho intends to continue the Group's presence as the largest British investor in Africa, where we have been successful and happy. Our operations in Africa are well managed and still expanding at some pace. Democratic governments are likely to encourage trade rather than pursue the nationalising and parastatal ideas of the past.

Several countries have been able to relax Foreign Exchange restrictions with the support of the International Monetary Fund, and the resulting freer movement of currency will benefit Lonrho Plc and local Lonrho subsidiaries in Africa.

The Group's mines and hotels have been the principal objects of capital expenditure during the past five years. Your Board believes we have not seen the full potential of these assets. The major programmes are complete, with the

Assuming no further expansion, it is envisaged that platinum group metal production will continue increasing, finally stabilising at over 900,000 ounces a year.

In Zimbabwe gold production was at an all-time high at over 169,000 ounces. The Group's coal mines have increased the average price received for coal by upgrading the quality, resulting in record profits. Hondo Oil & Gas sold all of its United States oil and gas operating properties in 1992 and will now focus on the exploration and development of the Opon gas structure in the Middle Magdalena Field in Colombia.

was 4% up at nearly half a million tonnes and average prices attained have also increased. The expansion of the Subana estates and milling capacity in Malawi will be completed during 1993.

In Kenya arabic crop yields were the highest ever recorded. The export base of Farmers Choice, the meat processing company, was expanded to include Malawi, Mauritius, Uganda and Tanzania, in addition to the United Arab Emirates.

Lomaco in Mozambique incurred losses in 1992 as a result of the drought and exceptionally low cotton prices. Lomaco will benefit substantially in 1993 from the declaration of peace and the restructuring of its operations.

and cotton exports were a major foreign exchange generator.

As a result of the drought, returns from the ranching operations in Zimbabwe were poor and crop yields were lower but the timber operations held up well.

HOTELS

As a result of the issue of shares in the Metropole Group to Lafico in March 1992, £177.5 million was raised which was mainly used to repay borrowings.

Although trading profits at the Metropole Hotel Group were down for the year as a whole, the second half of the year was much improved. The London Metropole extension opened in November 1991 and performed well in the first year of trading. As a result of the addition of the large new conference facilities, the hotel has hosted a number of major conferences for blue chip companies and is firmly established as a prime conference venue.

Princess Hotels experienced a difficult year with the United States remaining in economic recession. Costs continue to be tightly controlled and Princess are well placed to take advantage of any upturn in the markets.

TEXTILES

Despite the difficult trading conditions Lonrho Textiles increased sales through its Brentford shops and the mail order trade, while demand from third parties for piece goods declined, very much in line with consumer activity.

In the Retail divisions, Brentfords, with over 150 stores, has developed a chain of successful Factory shops aiming at the discount sector of the market. The Accord shops have

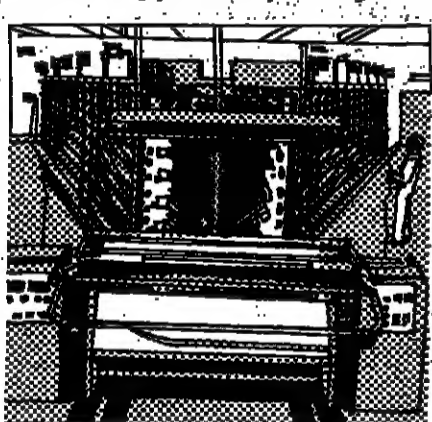


New Samsu oxide plant - Ashanti Gold Mine, Ghana.

Business in Kenya has not returned to the levels achieved before the Gulf War. The Ark Lodge has been extended, and improvements were made at Sweetwaters Tented Camp and the Aberdare Country Club.

The Group's textile operations in Malawi were affected by both the drought and the liberalisation of imports.

In Zimbabwe David Whitehead's operations were also severely restricted by the drought.



New weaving preparation plant - David Whitehead Textiles, Zimbabwe.

impacting on the supply of cotton lint, on water for the dyeing operations and on disposable incomes affecting local demand for products.

INTERNATIONAL TRADE & GENERAL

Despite the general stagnation of demand for rolled steel products on the international steel markets, Krupp Lonrho's steel export division supplied more than 1.7 million tonnes of steel products to 70 countries. The international considerable shipping market was subject to a considerable turn of events in 1992, nevertheless the Krupp Lonrho bulk ocean shipping fleet of 3.6 million tonnes, and Europe's largest, was fully occupied during the year.

Lloyd's broker E. E. Wright maintained its profitability in 1992.



Lonrho House - Nairobi, Kenya.

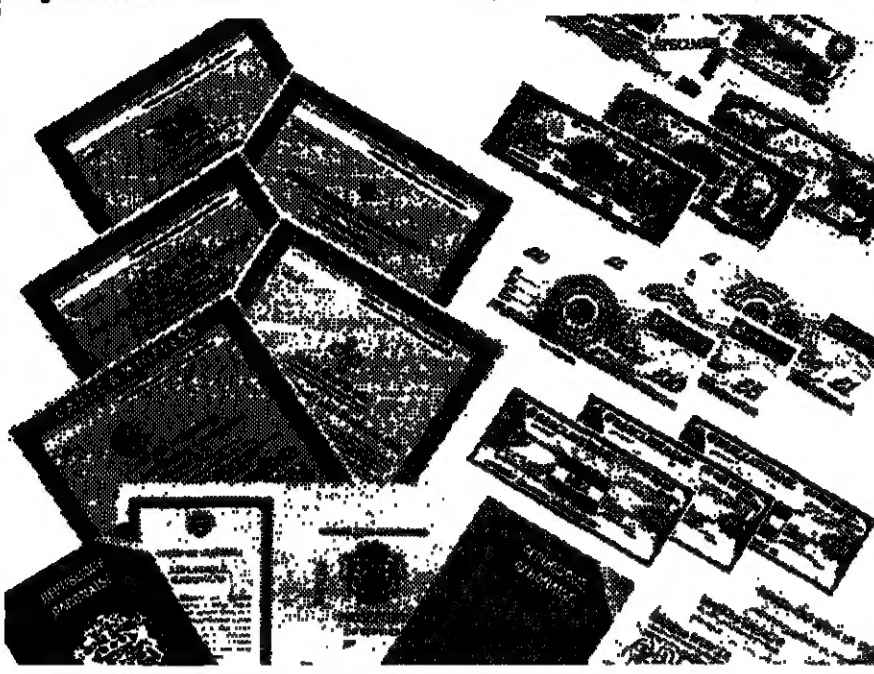
Lonrho CIS has expanded its operations in the Commonwealth of Independent States. Baumann Hinde, the Group's cotton merchant, reported good profits on an increased turnover, despite the global textiles recession.

Balfour Williamson increased profits and strengthened its procurement operations especially in Eastern Europe and Africa. Notwithstanding the continuing severe recession in the construction industry the Sunley Turf Holdings Group produced a satisfactory profit.

The text is taken from the Chief Executive's Statement and Review of Operations contained in the Report and Accounts for the year ended 30 September 1992 which will be published in early March.

Copies will be available from the Secretary, Lonrho Plc, Cheapside House, 138 Cheapside, London, EC2V 6BL.

The eighth Annual General Meeting of Lonrho Plc will be held at The Barbican Hall, Barbican Centre, 55, St. John, London, EC2 on Friday, 2nd April, 1993 at 11.00 a.m.

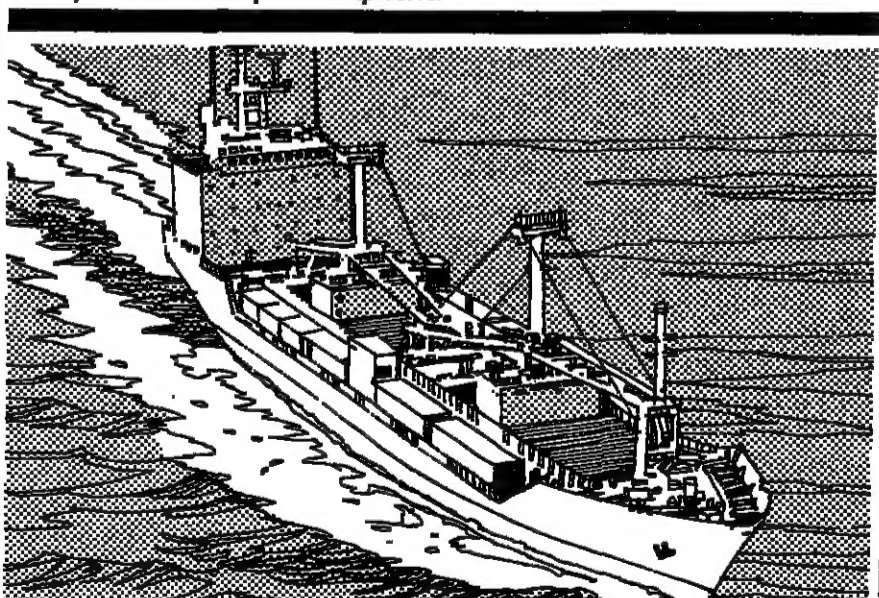


Specimen bonds, passports, travellers cheques, currency notes and gift vouchers printed by Harrison & Sons - High Wycombe.

1992/93 HIGHLIGHTS

- Mr Dieter Bock becomes Joint Chief Executive.
- The sale of V-A-G (United Kingdom) on 5 February 1993 has enabled Group borrowings to be reduced by £155 million.*
- Gearing now down to 42%.**
- Disposals of non-core businesses showed a profit of £130 million.
- Profits in a most difficult year fell from £205 million to £80 million.
- Earnings per share for 1992 were 1.2 pence, compared to 13.9 pence in 1991, but including extraordinary items they were 13.0 pence compared to 11.1 pence.
- Net assets per share are 157 pence.***
- Final dividend of 2 pence, bringing the total dividend for the year to 4 pence.

*Group borrowings as published in the Rights Issue circular.
**Gearing is based on net borrowings at 30 October 1992, adjusted for the proceeds of the Rights Issue and the sale of V-A-G (United Kingdom) Ltd, as a percentage of shareholders' funds plus minority interests, as published in the Rights Issue circular.
***Based on figures at 30 September 1992 adjusted for the Rights Issue and the sale of V-A-G (United Kingdom) Ltd.
The final dividend will be paid on 16 April 1993.



The 385,000 cu.ft. 'Blue Ice' - one of three Shanghai-built refrigerated vessels commissioned by Krupp Lonrho.

AGRICULTURE

Lonrho is the largest commercial food producer in Africa where the Group's sugar activities reported record profits in 1992, with increased contributions from all countries compared to 1991. Production

Doungou Sugar Factory - Malawi.



Your Company was directly involved in the peace settlement.

Tea production in Malawi was the lowest for a number of years.

Despite the serious drought in Zambia, Kalangwa Estates achieved good profitability.

PRINTING & PUBLISHING

George Outram & Company and Scottish & Universal Newspapers were sold during the year at substantial premiums.

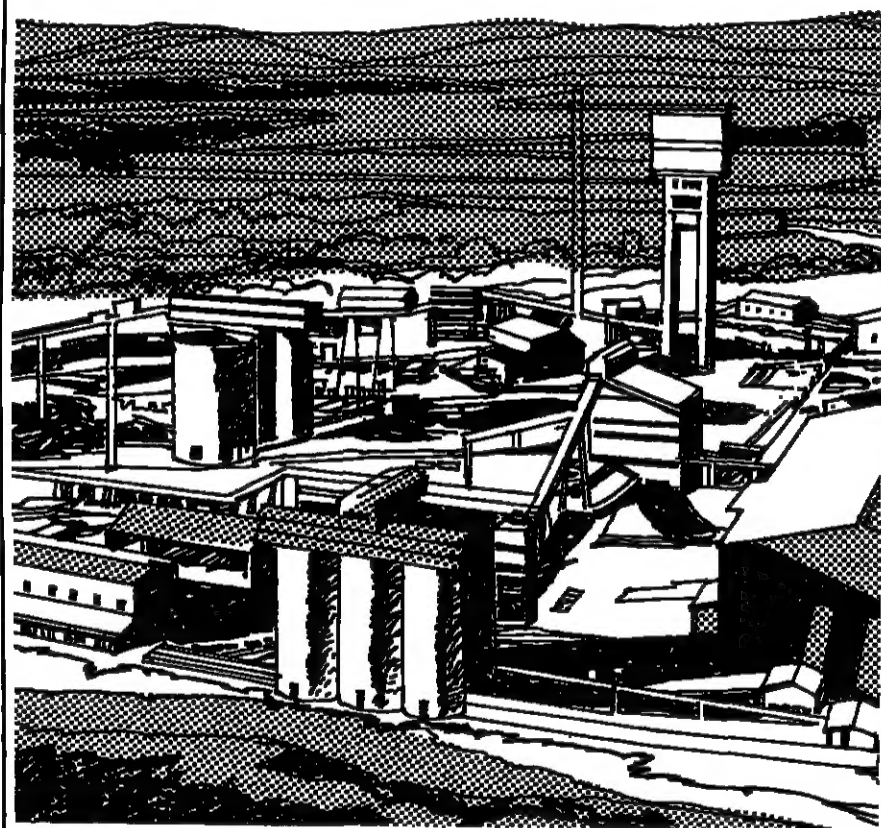
Harrison & Sons, the high security printer, has made further progress in developing its position as one of the world's leading printers of currency, achieving its highest ever level of currency sales in the year. The company had a successful year in many of its established product groups, the most notable achievement of which was the renewal of the contract with the British Post Office.

A highly successful innovation at Harrison's has been the development of its sophisticated security registration systems, primarily designed for use with the new generation of passports and identity cards. The Observer has improved its trading performance in the highly competitive Sunday quality market.

ENGINEERING

The loss-making Firstel Group was sold to its management in 1992, although Sheer Fride, the office furniture manufacturer, was retained.

Yamaha Manufacturing, part of John Holt Plc in Nigeria, is the distributor of Yamaha motor



Western Platinum - No. 4 shaft concentrator and headframe.

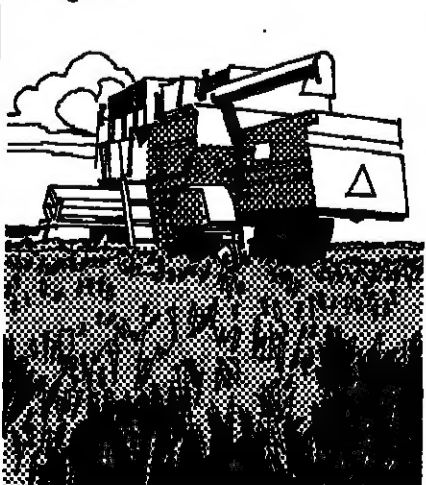
Falling precious metal prices have been of the greatest concern, since your Company is a major producer of gold and platinum group metals. Economy and efficiency at the mines are always improving, but an increase in world demand is what we need.

The depressed world economy has hurt many of Lonrho's businesses despite the diversification of the Company. It was particularly sad that during a difficult year the agricultural division, such a constant contributor to profits, met with the worst drought in living memory in Southern and Central Africa. The Sugar division, however, was able to make record profits.

We sought as a Board to find practical and positive responses to the sharp downturn in income. As I wrote to you in the Rights Issue circular a short while ago, signature businesses will remain within the Group, and asset sales will reduce borrowings until they reach a level which benefits shareholders.

In the financial year under review, disposals of non-core businesses showed a profit of £130 million.

Lower United Kingdom interest rates on reduced borrowings will be beneficial during 1993.



Massey Ferguson combine harvester in Kalangwa Estates' soya bean fields - Zambia.

result that capital expenditure in 1993 will fall substantially.

Finally I should like, on behalf of the Board, to thank all the very many people who work for Lonrho for their hard work and initiative during the past year. We'll be doing better next year, thanks to them.

Yours sincerely,
R W Rowland

The following text is taken from the Review of Operations for the year ended 30 September 1992.

MINING & REFINING

Gold production at Ashanti was a record 654,000 ounces in 1992 and the company remains on target to produce one million ounces by 1995-96. Despite depressed gold prices the company achieved record bullion revenues of US\$240 million and produced at an operating cost of US\$175 per ounce.

Current expansion plans are expected to place Ashanti Goldfields amongst the world's top five producers of gold. The US\$140 million funding for this US\$300 million project was completed by Ashanti with the I.F.C. in December 1992, and the remaining US\$160 million will be obtained from internal revenue generation.

The Group's three platinum mines produced 691,000 ounces of platinum group metals in 1992, almost double the level in 1989. The major capital expansion programme is rapidly coming to an end. The three platinum mines now have a combined milling capacity of almost 8 million tonnes a year and it is planned to achieve this throughput level towards the end of 1993.

LONRHO

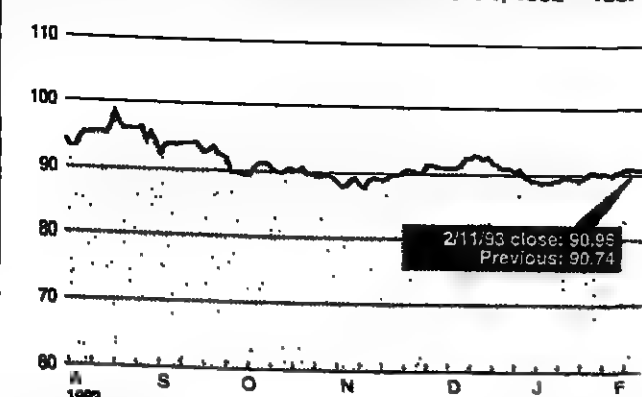
Lonrho Plc, Cheapside House, 138 Cheapside, London, EC2V 6BL

Get Russia
Involved in
Peace Duty

By Flora Lewis

THE TRIB INDEX: 90.96

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific			Europe			N. America		
Approx. weighting: 25%			Approx. weighting: 40%			Approx. weighting: 35%		
Close: 86.25 Prev: 85.02			Close: 90.33 Prev: 89.39			Close: 96.72 Prev: 96.83		
Industrial Sectors								
Energy	94.95	94.21 +0.74	Capital Goods	90.48	90.53 -0.05			
Utilities	87.99	87.40 +0.59	New Materials	93.54	92.93 +0.61			
Finance	85.26	85.22 +0.05	Consumer Goods	87.77	87.22 +0.55			
Services	103.35	103.58 -0.23	Miscellaneous	93.48	93.38 +0.11			

For readers seeking more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: The Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

WALL STREET WATCH

Phone Companies in Line For More Cable TV Deals

By Geraldine Fabrikant
New York Times Service

NEW YORK — Cable television stocks and companies with cable holdings have benefited from the news that Southwestern Bell Corp. would spend \$650 million to buy two cable systems in the Washington, D.C., area. The increase was prompted by two facts: It was the first cable deal in a long period, and the sale price was roughly 10.5 times the company's cash flow, down little from the rich deals of the 1980s.

Gordon Crawford, senior vice president at Capital Research Co., a major institutional shareholder in a host of cable companies, said, "To me this was the opening salvo in a war. These guys have been gentlemanly and staying out of everyone's turf. Now that it has started, everyone will have to do something."

In Mr. Crawford's view, telephone companies have to invest in technology that will enable them to offer a broader range of services as they compete with cable in their core markets. US West and Bell Atlantic, for example, have announced plans for such investments.

He added that the phone companies "have to diversify their risk away by becoming competitors in the other guy's market," referring to the fact that telephone companies can't buy cable television systems where they already operate telephone services.

John C. Malone, president of Tele-Communications, the nation's largest cable operator, said, "More will happen. I have mixed feelings. I hate an all-out war in the telephone industry with cable being Bosnia."

Mr. Malone sees the deal by Southwestern Bell, which agreed to acquire Hauser Communications Inc., as a major revolution but feels it is better news for the "little guys who are leveraged and for sale" rather than the big cable operators.

Dennis H. Leibowitz, of Donaldson, Lufkin & Jenrette, said he thought the smaller operators, like Jones Interchange and Adelphia Communications, were the logical tier for new deals. "Because anything over a million subscribers means at least a \$2 billion expenditure. That is real money, even for the telephone companies."

There are, of course, other options. Telephone companies have been talking with cable operators about joint ventures to buy cable systems and to co-manage them as US West and Tele-Communications have already done in Britain.

Will it be an
all-out war, with
cable being Bosnia?

IBM Faces Still More Staff Cutbacks

By Steve Lohr
New York Times Service

NEW YORK — With its business continuing to weaken, IBM is preparing to cut its work force this year by far more than the 25,000 people it had previously announced, analysts and consultants close to the troubled computer maker say.

An IBM spokesman denied that the company had started considering plans for broad-based cuts in its work force. "We're still working off the 25,000 umbrella and that's still the plan of record," said James Ruderman, the spokesman.

But in an advisory sent to clients Wednesday, Daniel Mandresh, an analyst for Merrill Lynch & Co., said he expected International Business Machines Corp. to soon "reveal a plan to remove 40,000 or more people in 1993."

The extra cutbacks, he added, could require a special charge against earnings of roughly \$1 billion to pay for financial incentives to prod people to leave the company.

Mr. Mandresh estimated IBM's revenue would fall 14.5 percent to \$12 billion in the first quarter, and that it would have a loss of \$283 million, or 50 cents a share.

The price of IBM shares declined Thursday by \$1.32, to \$20.87, on the New York Stock Exchange.

Other analysts said they had also been told privately by IBM officials that additional job cuts were being planned. A big target of job reductions, they said, will be the marketing and support staff, in an effort to trim IBM's sales and administration expenses.

One consultant, who insisted that he not be identified, said he was told that an internal announcement to managers would be made at the start of next week, that the people whose jobs were earmarked for elimination would be identified by the start of March, and that by mid-April the designated workers would have to accept early retirement incentives or face the possibility of being laid off.

IBM has had a long-standing no-layoff policy and instead has cut its work force from a peak of 407,000 people in 1986 to 300,000 by the end of last year through yearly programs of early-retirement packages. But the company has served notice that it could be forced to abandon its no-layoff policy, depending on business conditions.

IBM reported a loss of \$4.97 billion last year, with much of that attributable to special charges to trim the payroll and shed assets.

Mr. Ruderman said that as the year progressed, the company would take whatever steps it needed to try to keep its costs in line with business demand. He also suggested that reports from within the company of additional cutbacks might result from confusion, as some IBM employees mistakenly concluded that the cutback program previously announced but only now going into effect was yet another round of job cutting.

But several consultants say that new work-force reductions are indeed pending. Unlike Mr. Mandresh of Merrill Lynch, however, they did not make specific projections about the number. Precise figures, they say, would be difficult because under IBM's new decentralized management structure the heads of different operations like mainframes, personal computers, software and others are given financial targets and told to do what is necessary to achieve the stated goals.

"But clearly, the company is going to have to cut more people than it planned, and much of it will come from marketing and sales," said Sam Albert, a consultant in Scarsdale, New York, who is a former IBM officer.

IBM's plan to accelerate its cutback program this year, Mr. Mandresh said, has been forced by the softness in several of its key businesses, like mainframes, minicomputers and large-disk storage. "The sense is that it's better to bite the bullet now," he said.

Record Loss, but GM Chief Claims Gains

By Lawrence Malkin
International Herald Tribune

NEW YORK — Despite another record corporate loss due mostly to health care costs, the new boss at General Motors reported Thursday that his aggressive program of cutting costs and dumping unprofitable businesses was starting to show results.

John F. Smith, GM's president and chief executive, impelled by last spring's stockholder revolt to apply the streamlining techniques he used at GM Europe, predicted that the North American operation, which is at the heart of the company's troubles, would reach his "aggressive but achievable" goal of at least breaking even on a cash-flow basis next year.

On the books, GM reported a 1992 loss of \$23.5 billion, the largest in American corporate history. That was largely because of new accounting regulations that

NBC News Ads Reinstated

Bloomberg Business News

DETROIT — General Motors Corp. said Thursday that it was reinstating advertising on NBC News, just one day after the automaker said it would pull its ads from the network's news programs.

GM had said it would pull its advertising after the "Dateline NBC" program aired a report contending that certain GM pickup trucks were unsafe and the trucks' gas tanks could explode on impact. GM said the trucks used in the NBC tests were rigged to explode.

GM said that after NBC News's retraction and apology, it was reinstating advertising immediately.

They did. Accepting management's sanguine outlook, investors pushed GM stock up by \$1.25 cents to close at \$40.50 a share on the New York Stock Exchange.

They are laying off people, they are closing factories, and fear is running through the company from top to bottom," said Arvid F. Juppil of Keane Securities in Detroit, a former GM employee and a longtime analyst of the company.

Investors and analysts focused on operating results, which showed fewer losses and included restructuring charges as the result of Mr. Smith's new broom. For the fourth quarter, with North American sales improving as the U.S. economy revived, the company reported consolidated income of \$273.3 million. Calendar-year income excluding the health costs and major restructuring charges came to \$82 million. On a cash-flow basis, the company

prompted the company to estimate future costs of health benefits for its retired workers at \$20.8 billion, plus a \$1.4 billion provision for last year. Ford Motor Co. on Wednesday announced a \$7.5 billion write-off for the same reason.

GM's chief financial officer, G. Richard Wagoner, called the loss a "paper hit" affecting the value of the company on paper rather than its earnings and said the adjustment had been well understood by the financial markets and stockholders. He added: "We are aware that we are not the hottest stock in Wall Street, but we hope people will vote with their dollars."

Analysis described the final offer as "reasonable" and "understandable," considering the movement of the Fokker share price, which has fallen from around 25 guilders to the current level of 9.50 guilders.

André Mulder, transport analyst at Barclays de Zoete Wedd, said: "The offer is still positive for Fokker, because it secures the long-term future of the company. Otherwise, Fokker will have to survive on loans for the next years."

Dutch television reported that Mr. Andriessen had held talks with Wim Kok, the finance minister, on Thursday to discuss the final offer.

Rob Swers, head of sales at Paribas Bank Nederland, said: "In this poker game, Deutsche Aerospace has the aces in hand. After the demise of the truck-maker DAF NV, the Dutch government can't afford to abandon another large Dutch industrial concern."

Analysis described the final offer as "reasonable" and "understandable," considering the movement of the Fokker share price, which has fallen from around 25 guilders to the current level of 9.50 guilders.

André Mulder, transport analyst at Barclays de Zoete Wedd, said: "The offer is still positive for Fokker, because it secures the long-term future of the company. Otherwise, Fokker will have to survive on loans for the next years."

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Ex-Soviets Lag Economies in Rest of East

By Erik Ipsen
International Herald Tribune

LONDON — Economic prospects in Central and Eastern Europe are looking up while the economic rot in the former Soviet Union is, if anything, accelerating. That was the message contained in the economic review of 1992 released Thursday by the European Bank for Reconstruction and Development.

At a press conference, the bank's president, Jacques Attali, highlighted the huge success achieved last year with privatization programs in several countries, including the creation of 300,000 new private companies in Czechoslovakia and 210,000 in Poland. In a break with its studiously sober tone, the report proclaimed the Czech scheme the region's "most spectacular structural reform."

In contrast, the bank found little encouraging to say about the former Soviet Union. At one point, Mario Sarcinelli, a bank vice president, said of Russia: "No one is asking for a balanced budget but they just cannot live with a runaway budget deficit."

The contrast between the two areas was also strikingly evident in the report's statistical tables. Whereas the former Soviet Union saw retail price inflation of 1,371 percent and a decline in economic output of 20 percent last year, the picture in Central and Eastern Europe was vastly brighter.

There, inflation fell from near 90 percent in 1991 to 60 percent last year, while the rate of decline in the

economy slowed from 11 percent in 1991 to 5 percent last year.

Even more encouraging, industrial production in Central and Eastern Europe actually rose in the final quarter of the year, paced by a 3 percent jump in Poland. That turnaround coupled with the effects on agricultural output of the expected end of last year's drought led the bank cautiously to predict a return to growing economies this year.

No such prediction was offered for the countries of the former Soviet Union. The report totaled their efforts to move towards market-based economies in the last year and called them "on balance, disappointing."

The bank said the countries of the former Soviet Union have "gone through a deep recession, while fiscal and monetary inflation have been running largely out of control."

Mr. Attali said that at this point the best thing that Western Europe could do for its Eastern brethren would be to get its own economies growing again. He stressed that the present high level of interest rates in the West is "certainly playing a role in the crisis of Eastern Europe."

On another matter, Mr. Attali said that his plans for a bank-administered program to close down or at least clean up dangerous nuclear reactors in the region remained on hold. Although the leaders of the seven big industrial nations have agreed to create such a fund, they have yet to dip into their pockets.

Manage Japan Trade, Business Urges U.S.

By Keith Bradsher
New York Times Service

WASHINGTON — The U.S. government's top private sector advisory panel on trade, made up of the chairmen of some of the nation's largest corporations, called in a report Thursday for a more managed approach to trade with Japan, setting specific market share targets for American exports.

The targets are needed because Japan still imports a smaller percentage of its manufactured goods than any other large industrial nation, even though negotiations have removed many regulatory trade barriers in Japan, the report said. The low percentage reflects the existence of "invisible barriers" to trade in Japan, it said, citing the Japanese system of interlocking ownership among companies.

The release of the report coincided with the arrival in Washington of Foreign Minister Michio Watanabe, who met briefly with President Bill Clinton. After the meeting, Mr. Clinton said: "Minister Watanabe said he felt that we shouldn't be protectionist in our relationship and I agreed. And I said I thought we had to bring the trade deficit down and that I would be working with him on it very firmly."

A Japanese official visiting with Mr. Watanabe said Japan opposes specific market share targets. But former U.S. trade negotiators have said Japanese officials have long been receptive to such arrangements.

The panel that issued the report is the Advisory Committee for Trade Policy and Negotiations. It includes the heads of IBM, AT&T, American International Group, Boeing, Dow Chemical, Mobil, Eastman Kodak and Chase Manhattan.

More Grim Results Expected From U.K. Banks

International Herald Tribune

LONDON — British investors' love affair with the shares of the country's biggest banks will be severely tested in the next three weeks as the banks, led by Lloyd's Bank PLC on Friday, disclose their 1992 earnings. They are widely expected to make for exceedingly dismal reading for the third year running.

"These days banks are only loved by the stock market," said Chris Ellerton, an analyst with Warburg Securities, who contrasts the exceptionally strong performance of their shares in recent months to mounting hostility from consumers, businessmen and politicians.

Many analysts are convinced that the bank share rally, based on expectations of falling interest rates

firming the economy and triggering a bounce in bank earnings, has been overdone. Nick Gough, an analyst with NatWest Securities says the banks have a long way to go just to return to pre-recession profitability.

He predicts a 60 percent rise in pretax earnings for Barclays, National Westminster, Lloyds and the Midland Bank unit of HSBC this year and next. "But those rises will still not take earnings up to the level they hit in 1989," he said.

Britain's Big Four domestic banks are widely expected to make provisions for bad and doubtful debts totaling more than \$4.5 billion (\$6.4 billion), compared with \$4.4 billion in 1991. Barclays anticipated provisions of around £22.5 billion will be the worst and may

even tip the bank into an overall pretax loss for the year.

But most analysts dismiss the notion that Barclays' board will decide to reduce or eliminate its dividend. They note the deleterious effect that step would have on the bank's share price, not to mention on its image.

Once again the saving grace for the banks' 1992 earnings will be strong operating profits, which are expected to set records. Analysts at Lehman Brothers forecast Big Four earnings of £5.8 billion for 1992, up nearly £300 million from 1991.

Billions of pounds worth of doubtful loans notwithstanding, British banks have continued to boost operating profits by a combination of aggressive cost-cutting and fee increases. Lloyds has

slashed its branch staff by 16 percent in the last two years alone.

Barclays and National Westminster have considerably more scope for cuts and are seen as better turnaround bets, but some analysts warn that this is a game that cannot go on indefinitely without cutting into the muscle of their organizations.

Further clouding the banking outlook is the recent steep fall in base rates, to 6 percent from 10 percent at the time of Britain's withdrawal from the exchange-rate

mechanism in September. Mr. Gough refers to the phenomenon as a "poison chalice," noting that while banks can increase margins by quickly slashing rates, they pay depositors while they drag their heels on cutting loan rates. But the boost is short-lived.

Far more enduring is the depressing effect lower rates have on the returns from so-called free deposits, accounts on which banks pay little or no interest.

—ERIK IPSEN

CURRENCY & INTEREST RATES

Cross Rates			Eurocurrency Deposits		
	Feb. 11	Feb. 11		Feb. 11	Feb. 11
Amsterdam	1.855	1.855	1-month	3.30%	3.30%
Brussels	36.17	36.17	3-month	3.30%	3.30%
Frankfurt	1.497	1.497	6-month	3.30%	3.30%
London (1)	1.49	1.49	1-year	3.30%	3.30%
Madrid	178.26	178.26			
Milano	1,610.00	1,610.00			
New York (2)	1.475	1.475			
Paris	1.42	1.42			
Tokyo	128	128			
Zurich	1.26	1.26			
1 ECU	1.199	1.199			
1 SDR	1.361	1.361			

Other Dollar Values			Key Money Rates		
	Per \$	Per \$		Per \$	Per \$
Argentine peso	0.0001	0.0001	United States	1.00	1.00
Australian \$	0.67	0.67	Discount rate	5.00	5.00
Austrian sch.	13.76	13.76	Prime rate	6.00	6.00
Brazilian cru.	191.10	191.10	3-month CD	2.87	2.87
Chinese yuan	5.34	5.34	Comm. paper 90 days	3.18	3.18
Danish krone	3.34	3.34	3-month Treasury bill	3.29	3.29
East German mark	3.34	3.34	5-year Treasury note	4.15	4.15
French franc	6.55	6.55	5-year Treasury note	5.97	5.97
German mark	3.34	3.34	10-year Treasury note	6.25	6.25
Italian lira	2.00	2.00	Marshall Islands dollar	2.25	2.25
Japanese yen	136	136			
South African rand	2.00	2.00			
Swiss franc	1.48	1.48			

Forward Rates			Gold		
	30-day	90-day		A.M.	P.M.
Current	1.475	1.475	London	321.55	321.55
Forward Sterling	1.467	1.467	New York	321.55	321.55
Forward Swiss franc	1.539	1.539	U.S. dollars per ounce	321.55	321.55

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (ISRI). Other data from Reuters and AP.

BANQUE NATIONALE DE PARIS
US\$ 400,000,000 - floating rate notes 1984 due 1995
The rate of interest applicable to the interest period from 10 February 1993 to 10 August 1993, as determined by the reference agent is 5 1/4% per annum namely US\$ 263.96 per bond of US\$ 10,000.

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MARKET DIARY

T-Bond Sale Gives Wall Street a Lift

Bloomberg Business News
NEW YORK — Prices on the New York Stock Exchange advanced Thursday on reports of strong demand in the final leg of the Treasury's \$35.5 billion debt sale.

The stock market also was bolstered by rallies in leading companies such as AlliedSignal Inc.,

Advancing common stocks out-numbered declining issues on Thursday. Trading was active, with about 255 million shares changing hands, compared with 251 million Wednesday.

The stock market received more signs that an economic recovery is under way. The Commerce Department said retail sales increased 0.3 percent in January. In addition, the Labor Department said U.S. jobless claims fell 12,000 to 340,000 in the week ended Jan. 30, the lowest level since the last full week of December.

AlliedSignal rose 2 1/2 to 66 1/2. The company said it would spend \$4 billion over the next five years to remodel its U.S. retail stores.

GM recorded a fourth-quarter loss of \$651.8 million, or \$1.25 a share, closing out 1992 with the worst loss in corporate America history: \$23.5 billion, or \$38.28 a share. But GM earned money in the fourth quarter, excluding all one-time charges and any other extraordinary items. The stock surged 1 1/4 to 40 1/4.

Sears, Roebuck & Co. and General Motors Corp. The Dow Jones industrial average ended a three-day slide by rising 10.27 to 3,422.69. The index closed below its session high of 3,442.68.

The Dow industrials were buoyed by the 4-point gain in the benchmark 30-year bond as the yield fell 5 basis points to 7.20 percent. The U.S. Treasury completed its quarterly refunding by selling \$9.25 billion of 30-year bonds at an average yield of 7.22 percent. The results were better than expected, said Kevin Flanagan, money market economist at Dean Witter Reynolds Inc.

Standard & Poor's 500 index rose 1.43 to 447.66 and the New York Stock Exchange Composite index advanced 0.79 to 246.72. The Nasdaq Composite index rose 0.86 to 695.88.

Foreign Exchange
 against the dollar this week on prospects that Treasury Secretary Lloyd Bentsen will announce plans to bolster the yen after he meets with Finance Minister Yoshiro Hayashi of Japan on Friday, analysts said.

The dollar ended at 121.20 yen in New York, slightly lower than the 121.24 yen close on Wednesday, and at 1.6575 Deutsche marks, down from 1.6605. It ended at 1.5355 Swiss francs, down from 1.5385, and at 5.6070 French francs, down from 5.6146.

But the British pound eased to \$1.4175 from \$1.4237.

A flurry of yen purchases began after U.S. Speaker of the House Thomas S. Foley said he thought President Bill Clinton may favor policies to strengthen the yen.

The comment stoked speculation that Friday's meeting between Mr.

Bentsen and Mr. Hayashi might result in an agreement to support the yen. A U.S. Treasury official played down the importance of the talks, saying the bulk of profit-taking, but did not entirely shake the suspicions that major decisions may be under consideration.

If the Group of Seven industrial nations calls for a stronger yen, the Japanese unit could reach 116 yen per dollar and 65 yen per mark by the middle of the year, analysts said.

Investors who drove the yen higher may be disappointed tomorrow, analysts said.

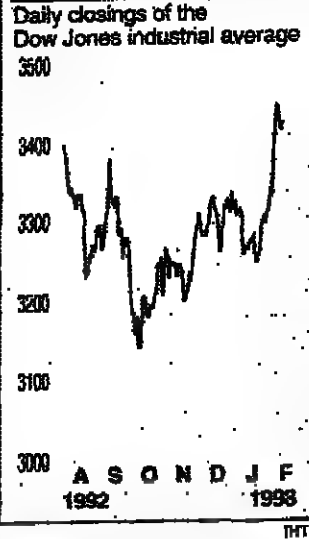
"Bentsen's move likely to press Japan and Germany to stimulate their economies," creating more demand for American imports, said Marc Chandler, senior foreign-currency strategist at IDEIA, a consulting firm.

The dollar slid to close in London at 119.95 yen, down from 120.85 yen on Wednesday. The Deutsche mark weakened to 72.34 yen from 72.85 yen. With the focus on the yen, the dollar was little changed against the mark, closing at 1.6585 DM after finishing the Wednesday session at 1.6560 DM.

(Reuters, AFP, Bloomberg)

The Dow

Daily closings of the Dow Jones industrial average



3000 3100 3200 3300 3400

1992 1993

NYSE Most Active

Vol.	High	Low	Last	Chg.
IBM	118.00	117.00	117.00	+1.00
Microsoft	34.00	33.00	33.00	+1.00
Apple	28.00	27.00	27.00	+1.00
Oracle	24.00	23.00	23.00	+1.00
Novell	22.00	21.00	21.00	+1.00
Lotus	20.00	19.00	19.00	+1.00
Intuit	18.00	17.00	17.00	+1.00
Visa	16.00	15.00	15.00	+1.00
MasterCard	14.00	13.00	13.00	+1.00
Discover	12.00	11.00	11.00	+1.00

NYSE Most Active

Vol.	High	Low	Last	Chg.
IBM	118.00	117.00	117.00	+1.00
Microsoft	34.00	33.00	33.00	+1.00
Apple	28.00	27.00	27.00	+1.00
Oracle	24.00	23.00	23.00	+1.00
Novell	22.00	21.00	21.00	+1.00
Lotus	20.00	19.00	19.00	+1.00
Intuit	18.00	17.00	17.00	+1.00
Visa	16.00	15.00	15.00	+1.00
MasterCard	14.00	13.00	13.00	+1.00
Discover	12.00	11.00	11.00	+1.00

NYSE Diary

Class	Prev.
Advanced	10.00
Declined	10.00
Unchanged	10.00
Not Traded	10.00
Total Issues	10.00

Amex Diary

Class	Prev.
Advanced	10.00
Declined	10.00
Unchanged	10.00
Not Traded	10.00
Total Issues	10.00

NASDAQ Diary

Class	Prev.
Advanced	10.00
Declined	10.00
Unchanged	10.00
Not Traded	10.00
Total Issues	10.00

Dow Jones Averages

Open High Low Last Chg.

Index	3422.69	3422.69	3422.69	+10.27
Indust	1181.18	1181.18	1181.18	+10.27
Comp	1322.29	1322.29	1322.29	+0.79
SP 500	447.66	447.66	447.66	+1.43
SP 100	1181.18	1181.18	1181.18	+10.27

Standard & Poor's Indexes

High Low Close Chg.

Indust	1181.18	1181.18	1181.18	+10.27
Comp	1322.29	1322.29	1322.29	+0.79
SP 500	447.66	447.66	447.66	+1.43
SP 100	1181.18	1181.18	1181.18	+10.27

NYSE Indexes

High Low Close Chg.

Comp	1322.29	1322.29	1322.29	+0.79
Transp	1322.29	1322.29	1322.29	+0.79
Unites	1322.29	1322.29	1322.29	+0.79
Finance	1322.29	1322.29	1322.29	+0.79

NASDAQ Indexes

High Low Close Chg.

Comp	1322.29	1322.29	1322.29	+0.79
Transp	1322.29	1322.29	1322.29	+0.79
Unites	1322.29	1322.29	1322.29	+0.79
Finance	1322.29	1322.29	1322.29	+0.79

AMEX Stock Index

High Low Close Chg.

Comp	1322.29	1322.29	1322.29	+0.79
Transp	1322.29	1322.29	1322.29	+0.79
Unites	1322.29	1322.29	1322.29	+0.79
Finance	1322.29	1322.29	1322.29	+0.79

Dow Jones Bond Averages

High Low Close Chg.

20 Bonds	105.07	105.07	105.07	+0.07
10 Utilities	105.07	105.07	105.07	+0.07
10 Industrials	105.07	105.07	105.07	+0.07

Market Sales

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

NYSE 4.0m, volume 12,000,000

AMEX 1.0m, volume 1,000,000

NASDAQ 1.0m, volume 1,000,000

EUROPEAN FUTURES

Close High Low Prev. Chg.

WHITE SUGAR (METH)	20.00	20.00	20.00	+1.00
COFFEE (NY)	1.00	1.00	1.00	+0.01
CHOCOLATE (NY)	1.00	1.00	1.00	+0.01
TEA (NY)	1.00	1.00	1.00	+0.01

Stock Indexes

High Low Last Settle Chg.

FTSE 100 (LONDON)	2800.00	2800.00	2800.00	+10.00
DAX (FRANKFURT)	1200.00	1200.00	1200.00	+10.00
IBEX 35 (BARCELONA)	1000.00	1000.00	1000.00	+10.00
ATX (ATHENS)	800.00	800.00	800.00	+10.00

Spot Commodities

Commodity Today Prev.

Crude Oil (WTI)	20.00	20.00
Natural Gas	1.00	1.00
Gold	350.00	350.00
Silver	10.00	10.00

Dividends

Company Per Ann Dividend

IBM	1.00
Microsoft	0.50
Apple	0.25
Oracle	0.10

U.S. FUTURES

Season Season Open High Low Close Chg.

Grains	1.00	1.00	1.00	1.00	+0.01
Oil	20.00	20.00	20.00	20.00	+1.00
Metals	1.00	1.00	1.00	1.00	+0.01

Grains

Wheat (CBOT)

Mar	1.00	1.00	1.00	1.00	+0.01
Jul	1.00	1.00	1.00	1.00	+0.01
Dec	1.00	1.00	1.00	1.00	+0.01
Mar	1.00	1.00	1.00	1.00	+0.01

Oil

Crude Oil (WTI)

Mar	20.00	20.00	20.00	20.00	+1.00
Jul	20.00	20.00	20.00	20.00	+1.00
Dec	20.00	20.00	20.00	20.00	+1.00
Mar	20.00	20.00	20.00	20.00	+1.00

Metals

Gold (COMEX)

Mar	350.00	350.00	350.00	350.00	+10.00
Jul	350.00	350.00	350.00	350.00	+10.00
Dec	350.00	350.00	350.00	350.00	+10.00
Mar	350.00	350.00	350.00	350.00	+10.00

Get Russia Involved in Peace Duty
By Flora Lewis

Metal Prices Present a Challenge To Preussag

HANNOVER, Germany — Preussag AG said Thursday that group net profit had risen 3.5 percent in the year through Sept. 30, 1992, and forecast that earnings this year would again be restrained by its nonferrous metals business.

The engineering and energy company's net rose to 440.2 million Deutsche marks (\$265 million) from 425.5 million a year earlier. Earnings per share fell to 31 DM from 33 DM. Ernst Pieper, the chief executive, said. The company plans to keep its dividend unchanged at 10 DM.

Consolidated group sales for the 1992 business year declined 4 percent, to 28.5 billion DM.

Mr. Pieper said earnings in the year remained steady thanks to "positive developments in our growth areas" such as environmental and information technology, "which balanced the decline in earnings in steel and nonferrous metals."

Steel and nonferrous metals account for 11 percent of group profit. But in the first quarter of the current business year, sales fell 5 percent to 6.0 billion DM as the slump in the world economy continued and Germany headed into recession, Mr. Pieper said.

He said it was "certain" that this year's earnings would be hurt by the decline in nonferrous metals and because of the cost of investing in information technology.

Preussag Stahl AG suffered in 1991-92 due to oversupply in the steel industry, Mr. Pieper said.

Preussag plans to cut 1,500 jobs at the steel unit "in the medium term," he said. The company employed 73,680 people at the end of business year 1992.

Earnings from the nonferrous metals business were hurt due to the oversupply of lead and zinc in Western markets, Mr. Pieper said, dumping by East European producers depressed earnings.

But earnings at Preussag's French unit Metalurop SA are improving in this business year because of restructuring and cost cutting, he said.

Metalurop's net loss narrowed to 167 million French francs (\$30 million) in the 1992 business year from 597 million francs.

Bérégovoy Seeks Quick EMU

But Delors and Tietmeyer Back the Current Timetable

PARIS — Prime Minister Pierre Bérégovoy of France suggested Thursday an acceleration of the European Community's monetary union, based on closer cooperation between France and Germany. But there was opposition to this idea from Jacques Delors, president of the EC Commission, and Hans Tietmeyer, the Bundesbank vice president, who said the current timetable was adequate.

Mr. Bérégovoy, whose Socialist Party is widely expected to lose power after legislative elections next month, said: "I am in favor of accelerating the construction of economic and monetary union. We will have to have a serious discussion of this with Germany and other partners this year," he said.

Noting that under the Treaty on European Union France was obliged to legislate after January 1, 1994, to make its central bank independent, Mr. Bérégovoy said: "There is no reason why the process should not be accelerated."

Asked if he favored a commitment to introduce a single EC currency at the earliest date set in the treaty, he said: "If we could achieve it on Jan. 1, 1997, I would be delighted. If we could do it before, I would be doubly delighted." A single currency is due under the treaty in 1997 or 1999.

But Mr. Delors, also a French Socialist, said in Brussels that there was a majority view for sticking to the timetable set out in the Maastricht treaty for economic and monetary union.

There would be negative public reaction to a small core of countries pushing ahead for full monetary union before 1997, he said in Brussels, adding "it would not be a drama if in January 1997

seven countries started EMU and left open the chance for others to join later."

Mr. Tietmeyer, vice president of the German central bank, told a financial conference in Paris he was opposed to bringing forward the timetable for economic and monetary union because countries need time to prepare for a single currency.

"We feel the Maastricht treaty has set the right conditions and the right timetable. It would not be appropriate to change the timetable," he said.

He added that setting up a single currency in the years immediately ahead could be "dangerous." Germany for one, needed time to overcome the big economic challenge of unification.

French authorities are anxious to cement the franc to the Deutsche mark after recent speculative attacks on the French currency. It has survived its value bands against the mark in the exchange-rate mechanism of the European Monetary System with crucial help from the Bundesbank, but there has been speculation on an early move to a fixed parity as a lasting solution.

Other EC countries were unable to withstand speculative attacks on their currencies. In recent months, Ireland, Portugal and Spain were forced to devalue their monies, while Italy and Britain withdrew from the ERM.

But Mr. Delors said changes should be made within the currency grid: "A devaluation is not an absolute misfortune for the EMS... when changes are necessary, one must make them inside the system, not outside." (Reuters, AFP, Bloomberg)

Trafalgar Plans £205 Million Issue

Compiled by Our Staff From Dispatches

LONDON — Trafalgar House PLC said Thursday that it planned to raise £204.5 million (\$290 million) in a one-for-two rights offering at 60 pence a share.

The price of shares in Trafalgar House fell by 4.5 pence to 83.5 pence on the London market, as the company also said it would cut its dividend for the financial year to Sept. 30, 1993.

Hongkong Land, a unit of Jardine Matheson Holdings Ltd. that has a 20.1 percent stake in Trafalgar, said it would take up its entitlement in the offering.

Trafalgar is a British construction, transportation and real estate group that owns the John Brown construction group and the Cunard cruise-line company. It said proceeds of the offering would be used to cut debt and strengthen its balance sheet and for investment in the company's construction and engineering division.

The company reported a £30.3 million pre-tax loss in the business year ended last Sept. 30, compared with a loss of £38.5 million a year earlier.

It said it expected to cut its dividend for the year to this coming Sept. 30, to 3.25 pence a share from 6 pence, and it will take a pre-tax charge of £100 million this year on

the writedown of real estate values. It will also take a £20 million general provision on restructuring and other costs when it reports earnings for the first half, ending March 31.

Trafalgar said its net debt was £580.3 million as of Jan. 27, compared with £552.6 million on Sept. 30, 1992, reflecting the "substantial effect" of the devalued pound against the dollar.

In October, the group defended itself against an attempted partial takeover by Hongkong Land.

Trafalgar said it expected the decline in rental values in the British property market over the last three months to continue and that it would reschedule the development of its principal projects.

The company said it had hoped that the timing of the offering would have coincided with a recovery in business.

"However, as the general economic recovery continues to be delayed," it said, "the board has decided that it would be prudent to strengthen the group's balance sheet earlier."

Robert Fleming & Co. is underwriting the 281 million shares not being taken by Hongkong Land in the offering, Trafalgar said. UBS Phillips & Drew and Cazenove & Co. will act as brokers for the offering. (Bloomberg, AFP)

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
1900	2800	2100
1700	2700	2000
1500	2600	1900
1300	2500	1800
1100	2400	1700
900	2300	1600
700	2200	1500
500	2100	1400
300	2000	1300
100	1900	1200

Exchange	Index	Thurs. Close	Prev. Close	Change
Amsterdam	CBS Trend	98.50	97.30	+1.20
Buenos Aires	Stock Index	5,673.51	5,663.20	+10.31
Frankfurt	DAX	1,851.85	1,849.81	+2.04
Frankfurt	FAZ	649.78	648.52	+1.26
Helsinki	HEX	924.32	926.44	-2.12
London	Financial Times 100	2,534.30	2,474.70	+59.60
London	FTSE 100	2,534.30	2,474.70	+59.60
Madrid	General Index	235.78	235.40	+0.38
Milan	ISE	1,066.08	1,051.00	+15.08
Paris	CAC 40	1,851.85	1,849.81	+2.04
Stockholm	Aktieindex	1,123.25	1,122.62	+0.63
Zurich	SBS	960.42	961.04	-0.62
Zurich	SBS	719.86	717.90	+1.96

Very briefly:

- Sara Lee Corp., the Chicago-based food and consumer products company, has acquired about a 20 percent stake in Filodoro Group, an Italian maker of women's hosiery.
- MAN AG, the German engineering group, reported that consolidated sales in the first half of its business year, ended Dec. 31, fell 2 percent from the year-earlier period to 8.2 billion Deutsche marks (\$5 billion).
- Bankruptcies in the Netherlands rose 24 percent in 1992 to 3,044, while bankruptcies in January rose 26 percent from a year earlier to 450.
- Société Nationale Elf Aquitaine and Total SA have signed a three year agreement with the French government for limited development of a biodiesel fuel comprising 5 percent canola oil, a government official said.
- Winterthur Versicherungs-Gesellschaft of Switzerland said it is to sell its Dallas-based consumer finance unit, Allied Finance, to a Ford Motor Co. financial services unit, Associates Corp. of North America.
- Credit Lyonnais said it will be the 90 percent shareholder in a joint venture with Veselina Uverova Bank of Slovakia. (Bloomberg, AFP, AFX)

BP Sank Into Loss in 1992 Despite Rebound in 2d Half

Compiled by Our Staff From Dispatches

LONDON — British Petroleum Co., burdened by heavy restructuring costs, weak demand and excess capacity in the industry, reported Thursday that it had fallen to a loss in 1992.

But, despite a poor year, the company, Britain's biggest in terms of revenue, stressed that its profitability had improved during the second half.

"It was a year of two halves," Chief Executive David Simon said. "The first half was

very, very poor. The second half was very encouraging."

But BP warned that uncertainty over production levels by the Organization of Petroleum Exporting Countries and the extent of the economic recovery made the outlook for 1993 very uncertain.

For all of 1992 BP reported a loss of \$458 million (\$59 million), on a historical cost basis and after exceptional items, compared with a profit of \$415 million in 1991. On a replacement cost basis, the loss was \$352

million after a profit of £1,035 billion in 1991.

Historical cost accounting values oil inventories on the basis of what it cost to acquire, while replacement cost values oil stocks at their current market price.

Separately, BP America, a unit of British Petroleum, has agreed to pay \$650 million to settle a tax dispute with the state of Alaska, company and state officials said in Anchorage. The deal settled a dispute, dating back to 1982, over the way Alaska taxes non-U.S. corporations doing business in the state.

Ron McGimpsey, vice president of BP America, said that the tax settlement will not "have a material effect" on British Petroleum's results, however, because "adequate provision had already been established."

British Petroleum said that figures for the fourth quarter of 1992 showed that net profit on a historical cost basis rose to \$136 million from \$5 million a year earlier, while replacement cost net profit climbed to \$193 million from \$72 million.

(Reuters, AFP)

BT's Income Holds Up Well

Compiled by Our Staff From Dispatches

LONDON — British Telecommunications PLC on Thursday reported slightly lower profit for its third quarter ended Dec. 31 but signaled that improved market conditions had been sustained.

Profit fell 7 percent, to \$705 million (\$1 billion), from a year earlier. Revenue was virtually unchanged at \$3.28 billion.

"The first signs of a slight improvement in volume growth were perceptible in the second quarter," said the chairman, Iain Vallance. "That improvement has continued into the third quarter."

Analysts pointed to a 1.2 percent growth in third-quarter domestic call revenue, along with a rise of 4.8 percent in international calls, as encouraging signs. "The rise has spread from international routes to inland routes, which is a sign that economic recovery might be filtering through into BT's performance," said James Ross, an analyst at House Govett.

GM: Despite \$23 Billion Loss From Health Costs, Chairman Says His Program Is Working

(Continued from first finance page)

ny's North American operations lost \$4.5 billion last year, down from \$7.9 billion the year before. In 1991, in the fourth quarter, Mr. Smith said, cash flow was positive before interest, taxes and the expense for retiree medical expenses.

Similar cash-flow measures have been used by other troubled companies such as Time-Warner and RJR Nabisco to monitor performance while they were restoring themselves to health.

Mr. Smith said GM's fourth-quarter results showed that his plans to cut costs and improve productivity in order to rebuild the foundation for future profitability "are firmly on track."

Because of low sales and tough competition that shrank GM's U.S. vehicle-market share last year from 34.8 percent to 33.9 percent, he said, the company had to offer a "persistent high level of sales incentives."

To offset this, Mr. Smith's plan is to get rid of businesses that lose

money and embark on the course he took in Europe: slashing suppliers' costs with the help of his engineering chief, a Spanish-born GM engineer, J. Ignacio Lopez de Arriortua. Mr. Lopez, quickly dubbed "The Grand Inquisitor" in America's Rust Belt, is not expected to be able to work his magic right away.

But the annual balance sheet showed other scars resulting from Mr. Smith's strategy. GM took a charge of \$794 million for its Hughes Aircraft Co. subsidiary,

which is shrinking from the loss of military contracts. It also wrote down \$744 million from the value of its unprofitable National Car Rental subsidiary, which is being slimmed down and reorganized.

And it sold its stake in Korea's Daewoo Motor Co. for an after-tax gain of \$165 million.

In analyzing the numbers, it was difficult to separate the influence of the stronger U.S. economy on sales from that of the new regime's cost savings, but Mr. Jouppe said

the savings were definitely there. "They are cutting back on their unprofitable fleet business on the sales front, and they are risking the penalty of breaking contracts to get the company profitable, whatever the price," he said.

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NASDAQ

Thursday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

13 Month High	Low	Stock	Div	Yld	PE	13 Month High	Low	Stock	Div	Yld	PE
100	90	IBM	3.00	4.0	15	100	90	IBM	3.00	4.0	15
100	90	IBM	3.00	4.0	15	100	90	IBM	3.00	4.0	15
100	90	IBM	3.00	4.0	15	100	90	IBM	3.00	4.0	15
100	90	IBM	3.00	4.0	15	100	90	IBM	3.00	4.0	15

13 Month High	Low	Stock	Div	Yld	PE	13 Month High	Low	Stock	Div	Yld	PE
100	90	IBM	3.00	4.0	15	100	90	IBM	3.00	4.0	15
100	90	IBM	3.00	4.0	15	100	90	IBM	3.00	4.0	15
100	90	IBM	3.00	4.0	15	100	90	IBM	3.00	4.0	15
100	90	IBM	3.00	4.0	15	100	90	IBM	3.00	4.0	15

H.K. Investors Await the China 9

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Small Norwegian Resort Town Is Preparing to Welcome the World

Imprimé par Offprint, 73 rue de l'Évangile, 75018 Paris

